

Global Newspaper
Printed Simultaneously
in Paris, London, Zurich,
Hong Kong, Singapore,
The Hague and Marseille

Herald Tribune

Published With The New York Times and The Washington Post

31,527

PARIS, SATURDAY-SUNDAY, JUNE 30-JULY 1, 1984

ESTABLISHED 1887

Shultz Calls Cuban Releases Propaganda

Secretary Sticks to Tough Line on Castro, Support for Nicaraguan Rebels

By Bernard Gwertzman
New York Times Service
WASHINGTON — Secretary of State George Shultz said today that President Reagan had decided to release 26 Cuban political prisoners from the United States because this first step would show that the administration was serious about its policy of opposing the anti-Sandinist rebels.

He also said Thursday that the Cuban release was not given any significance to moderate what he called the administration's "subversive" policy in the Americas.

Mr. Shultz said that the two sides had agreed on another round of talks, and he described the discussions so far as "serious."

On Wednesday, Mr. Castro agreed to free the 22 Americans, none of whom, the State Department said, was a political prisoner. Some of the 22, the department said, were wanted on criminal charges in the United States and would be detained when they arrived.



The Rev. Jesse L. Jackson, who usually is a nonsmoker, left, and President Fidel Castro, after lighting each other's cigar at Havana's José Martí Airport. Mr. Jackson later escorted 22 American and 26 Cuban prisoners freed by Mr. Castro to Washington. Page 3.

Governor Of Punjab Resigns in New Delhi 'Shake-Up'

By William Claiborne

NEW DELHI — The governor of the state of Punjab and the state's inspector-general of police resigned abruptly Friday in what the government of Prime Minister Indira Gandhi said was the beginning of a "complete shake-up" of the state administration.

British Lords Defeat Tory Bill to Cancel Local Voting

Reusers

LONDON — The House of Lords has delivered Prime Minister Margaret Thatcher one of the severest blows of her second term by defeating her plans to abolish big city councils controlled by the opposition Labor Party.



60 Troops Killed in El Salvador

A wounded Salvadoran soldier is carried by troops after fighting at the Cerro Grande dam north of San Salvador. About 60 troops were killed and at least 50 wounded. The government said 60 guerrillas also were killed or wounded.

Argentina Reaches Accord on Interest Payment

United Press International

BUENOS AIRES — Economy Minister Bernardo Grinspun announced Friday an accord with American banks that will allow Argentina to pay about \$350 million in interest due by Saturday.

The amount due by June 30 was calculated at \$450 million. If Argentina had failed to pay that amount, American banks would have been forced to declare the Argentine loans nonperforming, which would have hurt bank second-quarter earnings and Argentina's financial credibility.

Although the interest payments are distributed to lenders worldwide, U.S. banks are the only ones affected by the June 30 deadline.

U.S. regulators require that banks list loans as nonperforming when interest becomes more than 90 days overdue and they must deduct from earnings any interest they have already reported.

Israelis Divert Lebanese Ferryboat; Fear of New Guerrilla Wave Is Cited

New York Times Service

BEIRUT — The Israeli Navy intercepted a ferryboat operating between Cyprus and Lebanon on Friday and forced it into the Israeli port of Haifa, while authorities checked the passengers' identities.

The Lebanese owners of the boat, the Alisur Blanco, said it had been intercepted by Israeli gunboats while on a regularly scheduled trip and ordered to head for Haifa.

One radio report from Lebanon said the Israeli suspected there were terrorists on board the ship. Ghazi Baroudi, a spokesman for the owners of the boat, said there were between 60 and 70 passengers aboard but he had no comment on their identities.

Iran Is Using Anti-Missile Decoys in Gulf

By Fred Hiatt

WASHINGTON — Iran has used a number of small floating decoys designed to show brightly on radar screens and deflect Iraqi Exocet missiles from oil tankers loading in Iran, U.S. officials say.

CIA Produces Guide to Sabotage in Nicaragua

By Robert Barry

The Associated Press

WASHINGTON — The Central Intelligence Agency has produced a book-style manual that encourages Nicaraguans to report late for work, pour sand into engines, burn firebombs and engage in other forms of sabotage, intelligence sources say.

The booklet, with a title written in "Freedom Fighter's Manual," translated in Spanish and relies heavily on cartoon illustrations to show 38 ways to sabotage or otherwise undermine Nicaragua's last Sandinist government.

The manual describes itself as a "practical guide to liberate Nicaragua from oppression and misery by paralyzing the military-industrial complex of the traitorous Marxist state without having to use special tools and with minimal risk for the combatant."

Although President Ronald Reagan has said the United States is not asking to overthrow the Sandinists, the booklet calls on Nicaraguans to join in the "final battle" against their government, which has been in power since 1979.

Sierra Leone: A Case of Apathy, More Than Anger

By Clifford D. May

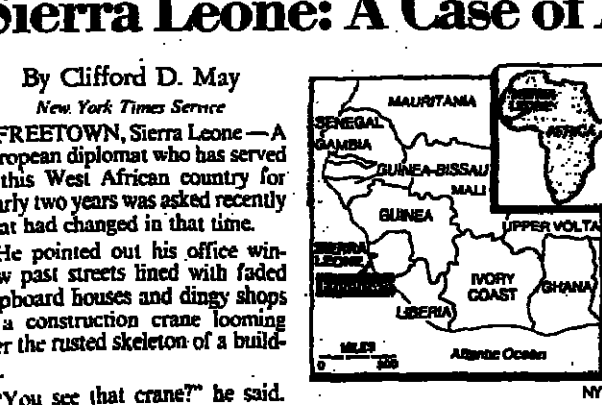
New York Times Service

FREETOWN, Sierra Leone — A European diplomat who has served in this West African country for nearly two years was asked recently what had changed in that time.

He pointed out his office window past streets lined with faded clapboard houses and dingy shops to a construction crane looming over the rusted skeleton of a building.

"You see that crane?" he said. "In the past 18 months the only time that crane has moved has been when it was swinging in the wind. That's what has happened to Sierra Leone. It's just swinging in the wind."

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MONDAY
■ Spain's Socialist government is expected to vote with a reluctant majority to end a long-running economic crisis. A special report.



Sierra Leone was founded as a haven for freed slaves. The settlers, who became known as Creoles, developed their own language and culture. They are outnumbered by the indigenous tribal peoples, numbering perhaps 70,000 in a population of more than 3.5 million. But they account for the bulk of the professional class.

For the last 16 years political power has been concentrated in the hands of Mr. Stevens, a man of mixed tribal background who has been able to maintain some sort of equilibrium between the country's competing groups and regions.



REUNION — Former Vice President Walter F. Mondale displays a check for \$1,000 from former President Jimmy Carter during a reception in Atlanta. Mr. Mondale was starting a fund-raising trip through the South for his Democratic presidential campaign.

ulf Adversaries Share Grief, High Costs and Glory of Sacrifice

In Tehran, Grumbles and Determination

By Trevor Wood

TEHRAN — Although the battlefield is far away, life in Tehran is dominated by Iran's war with Iraq.

The conflict has affected everyone, either through the loss of a husband or son at the front or through soaring prices and acute shortages of basic necessities.

But while women line up for hours for a piece of meat or butter, men and boys are still eager to sign up as volunteers to fight the "infidels" across the border.

Grief and hardship has led to grumbling over the time it is taking to end the war, but it has not had any visible effect on Iran's determination to see it through to a finish.

Most of the grumbling focuses on high prices. Gasoline prices have risen threefold since the war began, to 30 rials (26 cents) a liter (\$1.18 a gallon).

Rice is as much as 30 rials a kilogram (\$1.36 a pound) and is rationed to 1.5 kilograms per person a month.

The government aims to provide a minimum of basic necessities at controlled prices, but even so supplies are not always adequate.

Many people suspect priority is given to poorer areas populated by devout Moslems who provide Iran's revolutionary leader,

Ayatollah Ruhollah Khomeini, with his strongest support.

In more affluent areas, where there is too much money chasing too few goods, the government allows a "free market" to operate. Rationed meat, for example, costs up to 400 rials a kilogram, with people allowed 50 grams a day.

Much of this can be blamed on the war, which represents a third of government spending and has cut industrial and agricultural output in border provinces.

Money has to be found to cater for the two million Iranians uprooted from border towns and made homeless by Iraqi shelling.

Families of war "martyrs" receive a grant of 2 million rials while the 100,000 or so people crippled for life — "living martyrs" — are given priority in acquiring scarce goods, government jobs and university places.

The authorities take pride in the fact they can mobilize many thousands of volunteers for the front in a matter of days.

For those at home, there is little to leave a daily diet of war news and Islamic teaching. The rich flock to the few remaining restaurants where the food is palatable. The poor sit in the parks.

Iraq Has Resumed Shelling, Iran Says

Reuters

TEHRAN — Iran said two civilians were killed and three wounded Friday in Iraqi shelling of its southern oil city of Abadan, and President Ali Khamenei said Iran might soon retaliate for Iraqi attacks on population centers.

The Iranian news agency said the shelling of Abadan broke a June 12 agreement between Iran and Iraq to halt bombardment of civilian targets and was the second such attack in two days.

Mr. Khamenei was quoted as saying that Iraq had resumed attacks on civilian targets, including the border city of Sardasht. Iran and Iraq agreed two weeks ago to halt attacks on population centers.

Iran said Thursday that it would allow United Nations observers to be stationed in Tehran to monitor the June 12 agreement.

Iraq has agreed to accept a UN team, but Iran initially said they should be stationed in another country within the region.

In Baghdad, Incentive for Faint-Hearted

By Michael Sheridan

BAGHDAD — The Martyrs' Monument, a deep blue tulip-shaped monolith, dominates the Baghdad skyline as dramatically as the war dead it hallows cast a shadow over Iraqi life.

It must be one of few such memorials in the world from which the general public is barred by armed guards.

The monument records, in letters of gold beaten from jewelry donated by the bereaved, words of President Saddam Hussein about the glory of sacrifice.

It is a theme that runs through this nation of about 14 million people that has been locked in conflict for 45 months with Iran, a nation of about 42 million.

Reminders of the dead are ever present through state legacies to victims' families — cars, land, money and educational privileges.

Iraqi war communiques never mention the casualties, and there are no reliable estimates. But the state-controlled media stress their ultimate sacrifice as an incentive for the faint-hearted and the grumblers away from the front.

The war has brought the man in the street much to complain about, from skyrocketing inflation to draconian travel

curbs, the heavy hand of the security apparatus on every aspect of life and the possibility of being sent to the front.

Such complaints do not surface in the media, which present a picture of contentment and heroism.

Iraq has about 1.65 million men under arms, a big drain on this Arab nation that has brought women out from behind the veil and into offices and factories.

Schoolchildren are told of the honor of dying for the homeland, and as soon as youths turn 18 they have the chance to do so.

The regular army is estimated at about one million men. A paramilitary Popular Army makes up the remaining 650,000, with about 100,000 men believed to be at the front at any one time.

Officially, the Iraqi dinar is worth \$3.20. On the black market and abroad, however, it is worth \$1.

High-grade rice from abroad costs 250 fils (80 cents) a kilogram (36 cents a pound), while the price of a loaf of bread has remained at 10 fils for several decades. Gasoline is 70 fils a liter (\$1 a gallon).

More than the financial cost of the stalemate war, Iraq is feeling the loss of its youth, martyrs to a conflict in which neither side has advanced more than a few kilometers in nearly four years of fighting.

Soviet Asks Talks on Space Weapons

Negotiations Can Begin in Vienna in Fall, Kremlin Says

By Dusko Doder

Washington Post Service

MOSCOW — The Soviet government announced Friday night that it had formally offered to start talks with the United States toward "blocking" development and deployment of all space weapons.

A statement distributed by the official press agency Tass said the offer had been conveyed to the Reagan administration. It specifically suggested that negotiations could begin in September in Vienna.

"The question of the complete mutual renunciation of anti-satellite systems should be resolved within the framework of those talks," the statement said.

[In Washington, Brian Carlson, a U.S. State Department spokesman, said that U.S. officials had only seen news reports of the Soviet offer and would have no immediate comment. The Associated Press reported.]

Earlier this month, President Konstantin U. Chernenko called on the Reagan administration to negotiate "without delay" a treaty banning the use of anti-satellite weapons.

There has been no formal response to Mr. Chernenko's offer, although U.S. officials in Moscow have said that the offer could not be accepted because of verification problems.

The latest Soviet proposal appeared to go beyond Mr. Chernenko's offer to include all types of space weapons, including space-based anti-missile systems and "any ground- or air- or sea-launched systems intended to hit targets in space," as well as anti-satellite systems.

Soviet officials have repeatedly urged a space weapons ban since

Mr. Reagan's call for a space-based defense system. Recent U.S. visitors to Moscow have said that the problem of such weapons appeared to be a key issue in their talks with Soviet officials.

The Soviet government said in its statement that the militarization of space would "dramatically enhance the risk of military catastrophe" and also "subvert" prospects for any arms control agreements.

It said that "urgent measures" were needed to prevent the development and deployment of space weapons. In practical terms, it said, this means banning weapons of any kind, "conventional, nuclear, laser beam or any other," and destroying systems already developed.

In proposing talks, the Soviet statement said:

"These talks could be initiated in Vienna, Austria, in September this year, given the consent of the Austrian government. The specific date for the opening of the talks could be agreed upon through diplomatic channels."

"To provide favorable conditions for the achievement of agreement and to take practical measures already... to prevent the race in space weapons, the Soviet Union also offers to impose, on a reciprocal basis, a moratorium on the test and deployment of these weapons starting with the date of the opening of the talks."

It said Moscow expected "an

early and positive response" from Washington.

■ **Kremlin Dismisses Appeal**

Seth Mydans of The New York Times reported from Moscow:

The Soviet press has derided Mr. Reagan's call for improved economic, cultural, scientific and consular ties as a campaign gimmick. It said he was trying to shift responsibility for a serious deterioration in relations between Moscow and Washington.

Tass said Thursday that Mr. Reagan's speech Wednesday to specialists in U.S.-Soviet relations was "another election maneuver."

"Emphasis on the problem of exchanges," Tass said, "obviously is meant to create a semblance of some 'progress' toward better relations between the U.S.S.R. and the United States, progress which actually is nonexistent."

Novosti, another press agency, said the speech was "one more attempt to shift responsibility for a marked deterioration in U.S.-Soviet relations and the world situation as a whole."

■ **U.S. Soviet Renew Pact**

The United States and the Soviet Union extended Friday for 10 years their only bilateral accord on commercial relations. Reuters reported from Washington.

The State Department said the 1974 Agreement on Economic, Industrial and Technical Cooperation had been renewed.



Prime Minister Felipe González meeting President François Mitterrand Friday in Madrid.

Mitterrand Assures Spain on EC Membership

Compiled by Our Staff From Dispatches

MADRID — President François Mitterrand of France visited Madrid on Friday to assure Prime Minister Felipe González that agreements at the recent European Community summit had cleared the path for Spain and Portugal to become EC members on schedule on Jan. 1, 1986.

After four hours of talks in Madrid, President Mitterrand wished Spain a speedy and successful outcome in its bid to join the EC. His

visit followed a trip to Portugal on Wednesday.

During his stay in Spain, Mr. Mitterrand briefed Mr. González and Foreign Minister Fernando Morán on the summit, held this past week at Fontainebleau, France.

Mr. Mitterrand emphasized the importance of the progress made at the summit, which resolved a budget dispute with Britain. Mr. González said.

Mr. González publicly thanked Mr. Mitterrand Friday for his efforts in solving the budget dispute and for his backing for Spain's membership. France is to relinquish the EC presidency on Saturday and hand it over to Ireland.

The French leader's visit, which included a lunch with King Juan Carlos I, was seen by both sides as a gesture of good will to underline a recent improvement in relations between France and Spain.

(WP, Reuters)

South Africa Assailed Over Prison Policy

By Alan Cowell

New York Times Service

JOHANNESBURG — A human rights group says that South African police have installed closed-circuit television cameras in selected jail cells, invading privacy and creating unwarranted psychological pressures on prisoners.

Police say the cameras are designed to prevent suicides. But former detainees who spoke at a news conference said the cameras added significantly to psychological pressures on prisoners being held for questioning without formal charges.

A black student activist, Peter Mokgoba, said the cameras had been installed on the second floor of the John Vorster Square jail in central Johannesburg, where many persons suspected of anti-government activities are held.

The news conference was organized by a group called the Detainees' Parents Support Committee.

Mr. Mokgoba said he was held for 12 days without charge or trial last month.

"When you enter the cell," he said, "you see it [the camera] right in the corner. I was told by the policeman who was watching the people in the cells that they are able to see me even if they are not right inside" the cell. The cameras are on around the clock, he said.

Mr. Mokgoba said that before he knew about the cameras, he felt "free in my cell." But later, he said, "I could not feel relaxed, I could not be happy, I was depressed."

Another former detainee, the Rev. Frank Chikane, said privacy in a cell was important because of the stress created by interrogation. "By the time you are left to go back to your cell," he said, "you feel it is a time for relaxation, you need to relax from this tension."

"The stay in the cell is a struggle for survival," he said. "You do the most stupid things because you want to survive. You want to run around, talk to yourself, sing. You need to work out what the police are questioning you about and what you know and what you know before you went into the cells. You can't differentiate between what you knew before you went into interrogation and what the police told you."

David Webster, a spokesman for the committee, said he believed about 50 people were currently being held in South Africa jails without being charged.

U.S. Official Says Greece Freed Accused Terrorist

By Leslie H. Gelb

New York Times Service

WASHINGTON — According to a senior State Department official, the Greek government freed an accused terrorist from jail without trial or notice to Washington.

Despite the fact that physical evidence of his guilt had been turned over to Athens by the Reagan administration.

The suspect was said to have planted a bomb in the luggage of an airline passenger in December. It did not explode.

The State Department official said Thursday that in light of intelligence reports that the accused terrorist and his group planned to try again, the Federal Aviation Agency warned inspectors to watch for explosive devices aboard U.S. airlines flying to Athens and the Middle East. The warning also went to El Al, the Israeli airline.

Administration officials have become increasingly critical of the Socialist government of Prime Minister Andreas Papandreu for what they consider his anti-American policies and for what they say is laxity in dealing with international terrorism.

Richard R. Burt, assistant secretary of state for European affairs, told the House Foreign Affairs subcommittee on Europe and the Middle East this week: "It is often very frustrating to deal with a government, an allied government, that defends the Soviet Union, acting through its embassy in Washington, denied Thursday most of the points raised by the U.S. officials."

As related by the U.S. officials, the Reagan administration's behavior as a cover up for U.S. activity on Greek territory that, according to the Greeks, "violated international law and Greek sovereignty."

George Papoulas, the Greek ambassador, said that the evidence against the suspected terrorist was "not enough for the case to be brought to the court and therefore the man had to be released."

The events began in November when a Jordanian paid an unsuspecting acquaintance to fly from Athens to Tel Aviv, pick up some curries and fly to London to sell them.

In December the friend's baggage was said to have been lined with an "improvised explosive device," set to go off when the airliner reached a particular altitude. More than 200 passengers were aboard the plane.

Later, through intelligence sources, the administration learned that the man planned other actions and administration experts were

also able to reconstruct his activities.

The officials said their evidence was turned over to the Papandreu government and it was sufficient for the Greeks to detain the Jordanian in mid-April.

A month later, without notice to Washington, the Greek government released him to travel to a country that the U.S. officials said was friendly to terrorists. They declined to identify the country.

The Americans described the Greek explanations for the release of the man as totally unsatisfactory.

The notice issued by the Federal Aviation Agency said the explosive devices were carried by "innocent victims" and were "secreted under the bag lining, thus making them very difficult to detect by hand search or cursory X-ray examination."

The officials said the Jordanian had been identified as a member of a group called 15th of May.

According to the statement by the embassy, the Greek authorities had been watching the suspected terrorist and his accomplice, reported to be an Englishwoman, for some time. One day, according to the statement, Greek agents photographed two men entering the woman's apartment and then emerging with a suitcase.

The Greeks were said to have recognized the men as an American operative of the Central Intelligence Agency and a colleague from British intelligence.

■ **Greece Protests Visa Denial**

The Greek government has formally protested the U.S. refusal to grant a visa to a Greek journalist on a leftist Athens newspaper, The Associated Press reported from Athens on Friday.

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WORLD BRIEFS

Ustinov, Honecker Discuss Maneuvers

MOSCOW (Combined Dispatches) — Marshal Dmitri F. Ustinov, the Soviet defense minister, met in East Berlin Friday with Erich Honecker, the East German Communist leader, to discuss Soviet military maneuvers being held in Eastern Europe, Tass reported.

The maneuvers began Thursday and, according to NATO intelligence sources, about 60,000 Soviet soldiers and sailors are being deployed in western Czechoslovakia through Poland and East Germany. NA sources have said that it is the largest Soviet military operation in memory.

A NATO official in Brussels, who asked not to be named, said that Western allies were informed of the exercises before they began, but Western observers were not invited as they had been for previous exercises. The 1975 Helsinki Accord provides for such notification and invitation of observers on a voluntary basis. (UPI, AP)

Russian Chess Team Tops The World

LONDON (AP) — The Soviet Union beat a team representing 10 other countries Friday, reasserting its pre-eminence in international chess. The losing team put up a fight in the last round, but failed to halt the powerful Russians. With three games still unfinished, the Russians led an unbeatable score of 20½ to 16½.

The Russians won a similar match in Belgrade in 1979. They have dominated world chess for more than 40 years with the exception of 1972 when Bobby Fischer of the United States won the world championship.

High Court Bars Washington Sleep-ins

WASHINGTON (AP) — The Supreme Court ruled Friday that the government may bar the homeless from sleeping in public places, such as the House to demonstrate their plight.

The court said that such "sleep-ins" may be a symbolic form of expression protected by the First Amendment to the Constitution. But by a 7-2 vote, it said that the government has a legitimate interest in keeping parks in the heart of the nation's capital attractive and orderly. Groups supporting the estimated two million to three million homeless Americans had said that the sleep-ins were a vital form of demonstrating to the nation that many people are homeless.

The ban is in keeping with previous court rulings that the government may place "reasonable time, place and manner restrictions" on various forms of expression, "whether oral or written or symbolized by conduct," said Justice Byron R. White, who wrote the opinion for the court. In a separate, concurring opinion, Chief Justice Warren E. Burger said the case "trivializes" First Amendment free speech rights and suggested it was a "trivial" waste of judges' time.

Police Quell Demonstration in Poland

WARSAW (UPI) — Police used clubs and tear gas to break up a demonstration in the city of Poznan by more than 1,000 supporters of the banned Solidarity trade union, witnesses reported Friday.

The demonstration in the city's western Poznan took place Thursday, the anniversary of a 1956 workers' revolt in Poznan that was crushed by police and troops. Witnesses said four protesters were taken into custody by police but could give no further details. The protests included a Radio Solidarity message broadcast by a speaker to inmates of a Poznan jail, witnesses said.

A government spokesman in Warsaw confirmed that there had been an attempted demonstration. But he disputed the witnesses' estimate of the size of the crowd and denied many clubs had been used. Earlier Thursday, the government held a ceremony marking the 1956 riots, which are now officially considered a just test "against violations of social justice."

13 Face Trial in Italian Bank Scandal

MILAN (Reuters) — Eight former directors of the failed Banco Ambrosiano and five other Milan financiers were ordered on Friday to stand trial on charges relating to the bank's collapse in 1982, Milan justice officials said.

The eight former directors included Ugo Pesenti, chairman of Italobancaria SpA, one of the largest financial holding groups on the Milan stock exchange, and Roberto Rosone, once deputy to Ambrosiano's chairman, Roberto Calvi, whose was fired in London in June 1982.

Investigating magistrates ordered that most of the 13 should be tried on charges of complicity in hidden purchases by Banco Ambrosiano of its own shares in the spring of 1982. The purchases were designed to boost the bank's shares at a time Mr. Calvi was trying to cover a billion-dollar loss.

Tunisia and Libya Restore Relations

TUNIS (AP) — Colonel Moammar Ghafi, the Libyan leader, and Prime Minister Mohammed Mzali of Tunisia agreed Friday by telephone to resume normal relations following a 1982 release earlier in the day of frontier guards held on both sides, the official Tunisian news agency announced.

Relations had been frozen since three Tunisian guards who apparently strayed across the unmarked border into Libya were arrested May 8.

Their arrest coincided with an abortive Libyan rebel attack on an army barracks in Tripoli. The two countries then withdrew their ambassadors, froze the work of joint commissions and had border traffic.

For the Record

Liechtenstein's male citizens will go to polls this weekend to decide whether women should be allowed to vote. It will be the third time in 13 years that the 61-square-mile (157-square-kilometer) principality between Austria and Switzerland has voted on women's suffrage. (Reuters)

Archbishop Marcel Lefebvre, 78, again defied the Vatican Friday by ordaining 25 new priests at his traditionalist seminary in the Swiss village of Ecône. (UPI)

Jeong Nae Huk, 58, second only to President Chun Doo Hwan of South Korea in the ruling Democratic Justice Party, died Friday he had quit the party and was resigning from the National Assembly as well because of a controversy over major property holdings with a political rival claimed he had amassed illegally. (UPI)

Four mobile U.S. Cruise missile launchers returned to Greenham Common air base Friday after a three-day drive to secret destinations, their longest deployment exercise since their arrival in Britain last November. Police fended off anti-nuclear demonstrators as the launchers rolled through the main gate.

The American Federation of Government Employees launched an effort Friday to set up a new national air traffic controllers' union to replace the defunct Professional Air Traffic Controllers Organization, dissolved in 1981 when controllers went on strike and 80 percent of them were dismissed by President Ronald Reagan. (AP)

The European Community and 64 Third World countries meeting in Luxembourg remained divided Friday on a new trade and aid pact due to take effect next year, officials said. (P)

A former Chrysler assembly worker, Ronaldphus, 44, who beat a young Chinese-American to death with a baseball two years ago, was convicted in Detroit Thursday of a U.S. civil rights charge. Mr. Ebens was acquitted on a civil rights conspiracy charge. He faces a maximum sentence of life in prison. (NYT)

New Delhi Starts 'Complete Take-Over' Of the State Administration Punjab

(Continued from Page 1) Kahlon. Official sources in Punjab said more forced retirements were likely as the screening process continued.

As normally returned to most parts of Punjab, about 5,000 pilgrims visited the damaged temple complex despite heavy rains. Other Sikh temples throughout the state that had been closed while the army searched for Sikh guerrillas were reported crowded with visitors.

■ **Ambush in the Northeast** Guerrillas fighting for independence in India's northeastern border state of Nagaland have killed eight soldiers and wounded seven in their biggest attack so far, Reuters reported from New Delhi.

About 30 guerrillas ambushed a patrol in the city Thursday, police said. They had the ambush seemed to have been a clear show of strength following the appointment earlier this month of a former army chief of state as governor of Tripura and two other states along the borders with Bangladesh, Burma and China. The two other states, Manipur and Nagaland, have also been hit by an escalating guerrilla campaign for independence.

■ **Meeting to Go Ahead** Sikh political leaders pledged to go ahead with a major meeting Friday in spite of the arrest of its organizers, United Press International reported from New Delhi.

Authorities employed sweeping powers under the National Security Act to take into custody Ujjair Singh Shekhar, acting president of the Sikh political group Akali Dal, and Atma Singh, acting leader of the management committee for Sikh shrines.

Newsweek to Publish An Edition in Japanese

The Associated Press

NEW YORK — Newsweek has signed a letter of intent with TBS Britannica Co. Ltd. of Japan aimed at producing a Japanese edition of the magazine, company officials announced Thursday. It would be Newsweek's first foreign language edition.

The proposed edition, to be known as Newsweek-Japan, is expected to appear early next year after a formal contract is signed. It would be under the editorial control of Richard M. Smith, Newsweek's editor in chief, with the Japanese firm handling translation of Newsweek stories and business aspects of the project.

CHURCH SERVICES

FLORENCE
ST. JAMES CHURCH, Via Bernardo Rustelli, 12, 50123 Florence, Sunday Eucharists: 9:30, 11 a.m. All denominations welcome. The Rev. S.H. Harrison, Tel. 29.44.17.

FRANKFURT



UNDERWATER TRICYCLE RACES — An underwater awareness program of the Science Museum in Palm Beach County, Florida, includes this sport.

AMERICAN TOPICS

Average New House Costs Over \$100,000

The U.S. government reported Friday that for the first time, prices of new single-family homes reached an average of more than \$100,000 in May.

The report from the Commerce Department and the Department of Housing and Urban Development said that the average price of a new U.S. house rose to \$101,000 from April's average of \$95,900. The median price rose to \$80,900, meaning as many houses sold for more than that figure as for less.

The government also reported that sales of new houses declined 4.4 percent in May, marking the fourth decrease in five months.

Piles of Human Ash Anger Californians

Honoring the last wishes of dead relatives, thousands of Californians over the years have paid to have their ashes scattered from an airplane high in the Sierra Nevada or over the Pacific Ocean.

But now relatives are reacting with horror to reports of foot-high mounds of human ashes and bone fragments, the cremated remains of as many as 9,000 people, that have been dumped by car at a rural site in the Sierra foothills. The property belongs to a commercial pilot who contracts with funeral homes to scatter human ashes.

Law enforcement officials and the state's cemetery board are cooperating in an investigation of the dumping ground, which was reported to authorities by angry nearby residents.

Several lawsuits seeking damages for fraud and infliction of emotional distress have been filed against the Neptune Society of Northern California, which supplied cremated remains to the pilot. The society maintains it is "as shocked and upset as everybody."

Sidney Will Battle New York Scofflaws

A hand-held computer named Sidney — Summons Issuing Device for New York — is out to get New York City's traffic scofflaws who accumulate numerous unpaid parking tickets with virtual impunity.

The city is planning to spend more than \$22 million to equip its traffic agents with the device that not only prints out legible, smudgeproof and waterproof citations, but scans its memory to compare the offending car with lists of vehicles known to be stolen or far behind in unpaid tickets.

City officials say that about 30 percent of the 10 million parking tickets issued each year are voided because they are incomplete or unreadable. And it takes several days for the city to match freshly ticketed vehicles with its list of those that have

accumulated 10 unpaid judgments in the last 18 months.

Anticipating that city motorists will not greet Sidney warmly, the city is telling prospective manufacturers that the device must be "able to withstand severe blows" and must "withstand malfunction, not lose its memory during such battering."

Snoopy Transformed Into Fashion Hound

The Fashion Institute of Technology in New York has gone to the dogs. Its new show features costumes made by some of the world's leading designers for the world's leading beagle.

In "Snoopy: Putting On the Dog," the canine star of Charles M. Schulz's Peanuts comic strip and his sister Belle sport more than 140 outfits.

In a setting of giant doghouses, the stuffed animals model outfits ranging from hiking togs and backpacks made by L.L. Bean to ultra-regal court dress by Balmain — an ermine-edged velvet cloak and ruby-studded crown for Snoopy and a rhinestone-trimmed satin gown and diamond tiara for Belle.

Betsy Johnson put the pair in punk outfits and aviator goggles. Fiorucci whipped up an orange and white bikini for Belle, and Givenchy decked Snoopy in a version of his own work jacket, complete with tape measure hanging around the neck. Oscar de la Renta put Snoopy in black velvet with a white ruffled collar and Belle in black ruffles, while London's Emanuel provided wedding finery and even an organza-clad bridesmaid.

The show will stay in New York until September, when it moves to the Far East. None of the outfits is for sale.

An October Surprise? Welcome to Grenada

Political Washington is speculating on a possible "October surprise" for President Ronald Reagan's Democratic challenger. It would take the shape of a presidential visit to Grenada on Oct. 25, the first anniversary of the Caribbean island's invasion by U.S. forces and a date close enough to the Nov. 6 election should Mr. Reagan's re-election campaign need a last-minute boost.

Political strategists for Mr. Reagan acknowledge that they've been discussing the idea, but say that no decision has been made.

The Democratic Congressional Campaign Committee has been busy distributing copies of a story in a respected trade journal, *Aviation Week and Space Technology*. The magazine reported in its June 4 edition that Plessey Airports of Britain had resumed work on the Point Salines Airport in Grenada "as part of an effort to have the airport operational before an anticipated visit by President Reagan in mid-October."

Jackson Returns to U.S., Bringing 48 Prisoners Released to Him in Cuba

By Juan Williams

Washington Post Service

WASHINGTON — The Rev. Jesse L. Jackson has ended a Central American tour by bringing to the United States 22 Americans and 26 political prisoners released by President Fidel Castro of Cuba.

Two planes, one American and one Cuban, landed late Thursday in Washington, where hundreds awaited the arrival of the prisoners.

At a press conference early Friday at the airport, Mr. Jackson said his mission had succeeded where others have failed "because I tried." He criticized U.S. policy on Cuba and said, "A no-talk policy does not work. We must talk with the Cubans."

He said the main purpose of his mission to Panama, El Salvador, Nicaragua and Cuba was peace.

"The signs of war are growing" in the region, Mr. Jackson said. The military budget is on the rise. Danger signs are on the rise. Dialogue and understanding are on the decrease.

"It's time to stop the killing," he said. "There comes a time when we must learn to forgive each other, to redeem each other and to move on."

The trip home ended a hectic day for Mr. Jackson, who met Thursday morning with Sandinista officials in Nicaragua and criticized Reagan administration policies in the region. The Democratic presidential candidate then flew to Havana to pick up the prisoners, whose release he secured earlier this week.

Mr. Castro was at the Havana airport to greet Mr. Jackson. To the chant of "Fidel, Jackson" from thousands of Cubans at the airport, the two walked to a meeting room. There they talked with Cuban and American officials who worked out last-minute problems.

In explaining his decision to release the prisoners, Mr. Castro said, "It was all a result of Jackson's visit, as a goodwill gesture to him and the people of the United States. We felt we had to make a gesture of a positive nature."

As a farewell gesture, Mr. Castro offered Mr. Jackson a Cuban cigar. Mr. Jackson put the wrong end of the cigar in his mouth as Mr. Castro struggled to light it. Mr. Jackson, who does not smoke, said he accepted the cigar because in that special situation it was a "peace pipe."

Besides the 48 released prisoners, Mr. Jackson also brought Andres Vargas Gomez, 69, and his sister from Cuba. Mr. Vargas spent 22 years in prison in Cuba on charges of spying for the CIA. He was released in December 1982 but was not allowed to leave the country.

Mr. Vargas spoke at Mr. Jackson's press conference in Washington and made clear that he does not share Mr. Jackson's view of Cuba or Mr. Castro.

"To go to Cuba to join in a moral offensive with Fidel Castro," he said, "is a moral offense."

"We're certainly happy to be here in a free country and a civilized country, but we cannot forget we were political prisoners," he said. "I cannot be here and allow the idea that Fidel Castro is human."

Mr. Jackson said later, "I have a different point of view. But that's what makes America."

Most of the Americans released had been in jail on drug-trafficking charges. For six of them, freedom was brief. They were taken into custody to face charges of violating U.S. laws.

The Cubans were issued visas by the U.S. Interest Section before they left. They will be able to apply for asylum.

Many of 26 Cubans who were released had been political prisoners for more than 20 years. The human rights organization Amnesty International confirmed Thursday that the Cubans were among the hundreds of uncooperative prisoners known as *plantados* — "those who take a fixed position."

In Nicaragua on Thursday before his return to Cuba, Mr. Jackson criticized the Reagan administration's policy in Central America and said anti-Sandinista rebels supported by the United States should stop fighting.

In El Salvador, Mr. Jackson had said the leftist forces fighting the Salvadoran government were legitimate political forces.

Mr. Jackson met for two and a half hours with Sergio Ramirez

Mercado, a member of the three-man ruling junta and the highest ranking leader currently in the country, and other high-ranking government officials.

Later, Mr. Jackson appeared with Mr. Ramirez and read a statement that included nine points of agreement. The foremost point was to call for a meeting between the government and the Catholic and Protestant churches of Nicaragua.

Offer on 'Excludables'

Later Friday, Mr. Jackson said that the Reagan administration is offering to begin talks with Cuba next month on the possible return of several thousand undesirable persons who came to the United States in the 1980 Mariel boatlift. The Associated Press reported.

Mr. Jackson said after a 75-minute meeting at the State Department with Undersecretary of State Michael Armacost and other officials that the administration has proposed two days in July for beginning the discussions.

Mr. Jackson did not give the dates but said he hopes the Cuban leader will immediately respond to the U.S. offer.

The U.S. government has not allowed the so-called "excludables," who include former prison inmates and mental patients, to take up residence in the United States and has kept them in detention.

John Hughes, the State Department spokesman, confirmed later that the administration "would like to start the talks" and that officials had contacted the Cuban government about setting a date.

Mr. Jackson also briefed the Congressional Black Caucus on Friday.

He said afterwards that he was disappointed not to be able to talk directly to President Ronald Reagan or Secretary of State George P. Shultz about his trip.

"I think it would be important for the president to hear and to seize this initiative," Mr. Jackson said. "It would be well for the secretary of state to do so. Neither of them has ever met Castro."

"They only talk at him and talk about him. Leaders have a moral obligation to face each other face-to-face," he said.

Black Muslim Undisturbed by Jackson Rebuff

United Press International

WASHINGTON — Louis Farrakhan, the leader of the Nation of Islam, a Black Muslim organization, says he is "not the least bit disturbed" by the Rev. Jesse L. Jackson's disavowal of comments he made concerning Jews.

Mr. Farrakhan, a Jackson supporter, referred to Judaism as a "gutter religion" during a speech Sunday in Chicago.

Mr. Jackson's campaign aides issued a statement Thursday in his name saying, "I find such statements or comments to be reprehensible and morally indefensible."

"Such statements and thoughts have no place in my own thinking or in this campaign," the statement said.

The Senate also voted, 95-0, to condemn Mr. Farrakhan for "hateful, bigoted expressions of anti-Jewish and racist sentiments."



Louis Farrakhan

U.S. Protests Landing Of Canadians on Island

United Press International

MACHIAS SEAL ISLAND — The United States has protested the June 18 landing of Canadian law-enforcement officers in a helicopter on this 15-acre (six-hectare) island off the coast of Maine that is claimed by both nations.

The State Department said in a note sent Thursday to Canada that when two Royal Canadian Mounted Police officers landed by helicopter June 18, they reportedly killed several nesting rare terns and disrupted a bird-watching excursion of a Maine charter boat captain who reported the incident.

Canada countered that the island was its territory and the Mounties were on a routine wildlife patrol enforcing bird protection laws endorsed by both nations.

Senator William S. Cohen, Republican of Maine, said the State Department's Office of Canadian Affairs told him the formal protest to Ottawa suggested that the two countries had agreed to resolve the decades-old ownership dispute.

U.S. Senate Cuts Contribution to UN, Cites Escalation of Employee Salaries

United Press International

WASHINGTON — The Senate voted Thursday to cut the mandatory U.S. contribution to the United Nations by \$21 million, approving an amendment proposed by Senator Nancy Landon Kassebaum, Republican of Kansas.

The amendment, to the spending bill for the State, Justice and Commerce departments, reduces the contribution to the United Na-

tions from about \$522 million to about \$501 million — near the same level in the House-passed spending measure.

"I am opposed to the proliferating bureaucracies that have come to characterize the United Nations and I am strongly opposed to the unconscionable levels of salaries and benefits that are being paid from taxpayer funds to UN employees," Mrs. Kassebaum said.

'Study Finds Recessions Increase Mortality

By Harry Nelson

Los Angeles Times Service

ANGELES — A new study on the 1981-82 recession predicts that the United States is entering an extended period of increased illness, mortality and social problems among certain elements of the population as a result of that economic downturn.

Prepared by Professor M. Harvey Brenner of the Johns Hopkins School of Public Health for the Joint Economic Committee of Congress, the study asserts that the recession of 1973-74 contributed to about 165,000 additional deaths from heart disease and stroke, with the effects still continuing.

"These are deaths that occur earlier than they otherwise would have, deaths whose timing is related to economic disturbances," he said.

In addition, Mr. Brenner linked the 1970s recession with both short-term and long-term increases in the incidence of suicide, homicide, deaths from cirrhosis of the liver, infant and maternal mortality, mental illness and crime.

"The study is intended to be used as a basis for developing a system Congress may use to allow it to take into account the health and social implications of its economic policy-making decisions," Mr. Brenner said Wednesday.

"Any change affects the health of the population, and since this is true, different levels of government, industry and unions have the responsibility to take into account what happens as a result of economic decision-making," he added. "Put in another way, health ought to have a seat at the table."

A White House spokesman said there would be no comment on the study until the report had been examined.

Mr. Brenner, a professor of health policy and management, has pioneered research linking unemployment and declines in per-capita income with various rates of mortality and illness, including mental illness.

In the 1970s, he analyzed the health effects of a 14.3-percent increase in unemployment that occurred during the recession of 1973-74 and found a strong correlation between the higher unemployment rate and increases in mortality from a variety of chronic diseases. He also found that the rate of business failures during that recession had a negative impact on mortality and illness rates.

A key finding in Mr. Brenner's research has been that adverse effects usually do not occur until three to five years following the peak of the recession and that it takes 10 years or more for the full impacts to be felt. His new study examines the statistical relationship between health and various economic indicators from 1950 through 1980. Besides unemployment and business failure rates, other factors that are pertinent to health were

analyzed. For example, in the case of cardiovascular disease, those factors included alcohol, cigarette and fat consumption.

The researcher said that techniques are available to isolate the contribution made by any one factor, though all the other factors have an effect at the same time.

If, for example, there is a 10-percent increase in unemployment, the result would be a 1.7-percent increase in deaths from cardiovascular disease over a 16-year period. A 1.7-percent increase would result in 17,392 deaths from heart disease between the peak of the 1981-82 recession and 1997, Mr. Brenner predicted.

Another effect of the recession, a 10.4-percent increase in the rate of business failures, would result in an additional 5,793 deaths from heart disease, the report said.

But because the change in unemployment between July 1981 and November 1982 was 48.6 percent, according to Mr. Brenner, the adverse health effects may be far more damaging than the 10-percent estimates, assuming that the population characteristics have not changed greatly since the earlier period, upon which the calculations were based.

Among those Mr. Brenner listed as being at high risk following a recession are 16-year-old and 17-year-old males, especially of minorities; senior citizens who are chronically impoverished; female heads of households; and infants whose parents were affected by economic conditions.

Pastora Seeking a Political Role in Nicaragua

By Joanne Ormang

Washington Post Service

WASHINGTON — Edén Pastora Gómez, the Nicaraguan rebel leader who is beginning a visit to the United States, has asked members of Congress to help him enter the Nicaraguan election process.

Mr. Pastora hinted through aides that he was considering abandoning his military effort to overthrow the leftist government of Nicaragua, which he had served for two years as deputy defense minister.

The legendary Commander Zero of the Sandinista revolution that overthrew the dictator Anastasio Somoza in 1979, Mr. Pastora has been under pressure from Latin American and European social democrats to leave the Costa Rican-based Democratic Revolutionary Alliance and join political resistance to the government.

Such a decision would deprive the rebels of their most widely known and charismatic leader and could provide a focus for the cur-

rently disorganized and fragmented democratic opposition parties in Nicaragua.

Mr. Pastora was seriously injured in a bomb explosion May 26 at his headquarters in La Penca, Nicaragua, and his Revolutionary Sandinista Front was expelled Monday from the Democratic Revolutionary Alliance, the rebel alliance based in Costa Rica.

The Sandinista government has repeatedly refused to consider allowing him to enter Nicaragua, much less take part in the Nov. 4 elections. His backing from opposition parties is also questionable.

However, Mr. Pastora was accompanied on his visit Thursday by Alfredo César, a prominent and disillusioned former member of the Sandinista government who has established a "civil movement" of democratic resistance. He said Mr. Pastora "has decided to take this path" and would make an announcement Monday.

Mr. Pastora distributed a statement saying:

"I have sought the company of several fellow Nicaraguans in order to form a group dedicated to search for a political solution. This does not mean that I am abandoning my comrades in the armed struggle. On the contrary, [they] have given me their express approval for this peaceful endeavor."

"It is my intention during this trip," he added, "to persuade Sandinista supporters to stop giving a blank check to Managua if they sincerely want to see democracy in Nicaragua."

Mr. Pastora met with several members of the House Permanent Select Committee on Intelligence and about 30 members of Congress invited by the Republican Study Committee. He later met with two leading Democrats, Representative Jim Wright of Texas, the majority leader, and Representative William V. Alexander Jr. of Arkansas, the deputy majority whip.

"It's clear all the *contras* want to participate in elections if their safe-

ty can be guaranteed during the campaign," Mr. Alexander said after the meeting.

■ **Willing to Halt Fighting**

Mr. Wright also said that Mr. Pastora had indicated that his group would lay down its arms if allowed to take part in free elections. The New York Times reported.

Others described Mr. Pastora as encouraging both Republicans and Democrats to join with politicians in Latin America and in Western Europe to press Nicaragua to liberalize election rules and to allow former insurgents to take part.

Some Latin American specialists said they considered it potentially significant that Mr. Pastora had apparently joined forces with Arturo José Cruz, a former Sandinista leader who is now an economist with the Inter-American Development Bank in Washington.

Mr. Cruz also accompanied Mr. Pastora in his meetings on Capitol Hill.

U.S. Raises Debt Limit by \$53 Billion

House-Senate Impasse Continues on the Military Budget

Compiled by Our Staff From Dispatches

WASHINGTON — The U.S. Senate gave final congressional approval on Friday to legislation raising the government's line of credit by \$53 billion, a move that will push the national debt to \$1,573 trillion by the end of August.

The Senate passed the measure in a matter of moments by voice vote and sent it to President Ronald Reagan for his signature.

About an hour earlier, the House of Representatives, on a 208-202 vote, had approved the measure. In a preliminary vote Friday, the House voted 300-109 to reject a move to increase the debt limit by \$180 billion. This gave some legislators the opportunity to indicate that they opposed raising the national debt.

Then the House voted to raise the limit by the smaller amount, which is enough for the government to cover its bills through August and clears the way for Congress to begin a summer vacation.

Raising the debt limit does not mean spending more money, but simply gives the Treasury Department the power to borrow money to pay bills already incurred.

If Congress had not acted before it recessed Friday, sales of government securities could have been disrupted and some government obligations, such as payment of Social Security benefits, might not have been met.

Some Democrats in the House, led by Representative James R. Jones, Democrat of Oklahoma, chairman of the House Budget Committee, had been urging rejection of the debt limit to force the Congress to postpone its plans to adjourn Friday on a three-week recess for the July 4 holiday and the Democratic National Convention.

"I urge you to defeat it as a means of forcing action in the House-Senate budget conference," Mr. Jones said on the House floor. His hand was strengthened by the support of other leading members of the Budget Committee.

"Here we are again," said Representative Barber B. Conable Jr., Republican of New York, one of those trying to shepherd the debt-limit increase through the House.

"As a fiscal tool, the debt-ceiling increase is much overused, and we all know it," Mr. Conable said. "It has significance only as it offers us an opportunity to hold the government hostage to some extraneous issue."

A decision on the military spending level is the last one needed on this year's deficit-reduction package, now that the \$50 billion in tax increases and \$13 billion in program cuts have been approved and sent to President Reagan.

While the House budget conferees have indicated a willingness to compromise on military spending, the Republican-controlled Senate is fighting for the president's request as long as it can before budgeting.

Representative Jones and his budget conferees have been deadlocked all week with the Senate

over the level of military spending. On Wednesday, the House offered to meet the Senate halfway on military spending in the budget resolution by raising the House's proposed growth rate from 3.5 percent to 5 percent, after adjustment for inflation. The Senate rejected the offer and is insisting on the 7-percent average growth through 1987 that is supported by Mr. Reagan and included in the Senate deficit-reduction package.

The Senate did not yield. Senator Pete V. Domenici, Republican of New Mexico, chairman of the Senate Budget Committee, canceled a meeting of his committee's conferees to discuss the military issue.

At the same time, the separate House-Senate conference on the military authorization bill for the fiscal year 1985 broke up with no plans to meet until after the recess.

(AP, NYT)

Shultz Calls Cuban Releases Propaganda

(Continued from Page 1)

propaganda victory for Castro and maybe he added another chip."

President Ronald Reagan, asked Friday for comment on Mr. Jackson's tour, replied, "I don't have time to talk about things like that." United Press International reported.

[But his chief spokesman, Larry M. Speakes, said Mr. Reagan did not disagree with Mr. Shultz's assessment of Mr. Jackson's trip as a "propaganda victory" for Mr. Castro.]

The White House said the 26 Cuban political prisoners "appear to be individuals who've been imprisoned for many years because of their opposition to the policies of the Castro regime."

Verne Jervia, the spokesman for the Immigration and Naturalization Service, said Thursday that the agency had determined that none of the 26 Cubans would have to be detained. He said they would be given special parole status to remain in the United States.

■ **Report on Nicaragua**

A new U.S. report says Nicaragua has become the nerve center of a "subversive system" for Central America that includes the collaboration of 14 countries and leftist "internationalist groups." The Associated Press reported.

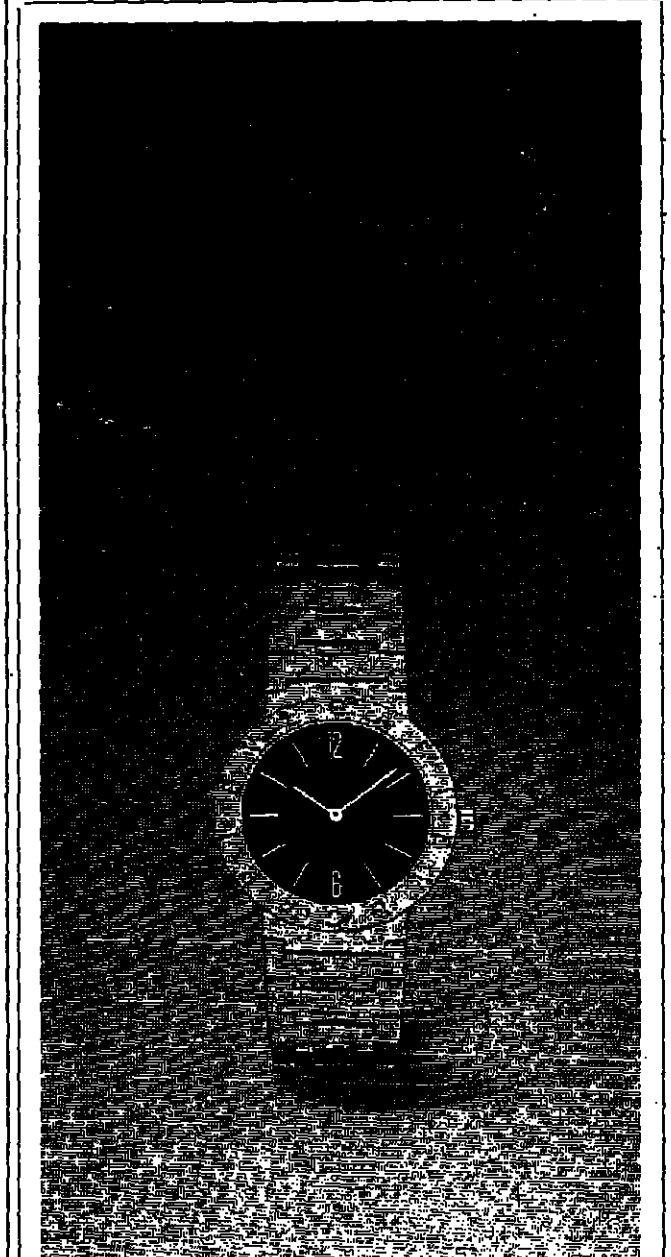
This assistance has converted Nicaragua into a far more formidable threat to the region than it would be if it were acting alone in

pursuing its revolutionary ambitions, the unreleased study said.

Titled "Nicaragua's Military Buildup and Support for Central American Subversion," the study traces how the Sandinistas "step by step, have become a menace to their neighbors and to the Nicaraguan people."

In addition to the estimated 9,000 Cubans in Nicaragua, the report said the Soviet Union, East Germany, Bulgaria, Czechoslovakia, Poland, Hungary and Libya have military or civilian advisers or both based in that country.

Further, it said, envoys representing leftist groups in Argentina, Spain, Uruguay and the Palestine Liberation Organization have set up offices in Nicaragua.



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Herald Tribune

Published With The New York Times and The Washington Post

The Pragmatic Reagan

The pragmatic side of Ronald Reagan was in welcome evidence in his remarks on Wednesday to a carefully chosen audience, a conference on U.S.-Soviet exchanges. He did not alter his unproductive course on the big political arms-control issues, on which negotiations with Moscow are dead in the water. But, following up his pledge in January to explore "small ways" to improve Washington's working relationship with Moscow, he catalogued his efforts to reopen and expand the network of détente-era contacts and exchanges put on hold by the collapse of détente, mostly in President Jimmy Carter's time.

These connections—in culture, health, environmental protection, space rescue and the like—were conceived first as contributions to good will and then, under President Richard Nixon, as ties of mutual self-interest meant eventually to bind the superpowers even in periods of great stress. Events in Afghanistan and Poland, along with the breakdown of arms control and the dispute over the Sakharovs have frustrated that hope. The theory behind it came under heavy attack from conservatives such as Ronald Reagan. Nonetheless, the president, under election-year pressure to soften the face of his Soviet policy, now says he is eager to resume the old contacts.

There was sense and modesty to his portrayal of what he described as an unresolved policy dilemma. It is essential to object to objectionable Soviet actions, he said—objecting again to Afghanistan to make his point—and to be able to do so by "ways short of military threats," such as cutting off exchanges. Still, he added, "we must be careful in reacting to actions by the Soviet government not to take out our indignation on those not responsible. And that's why I feel that we should broaden opportunities for Americans and Soviet citizens to get to know each other better."

In the immediate aftermath of the invasion of Afghanistan, many Americans might not have been able to muster such detachment and balance. In the current stage of Soviet-American relations, however, Mr. Reagan's conclusion seems appropriate and mature.

Whether Moscow is disposed to pick up the ball is another matter. Mr. Reagan's mellowing comes late in the day and mostly in the atmospheric realm. Soviet attitudes hardened long ago, and the Kremlin leadership is still unsettled. Recent Soviet visitors to Washington have seemed either hostile and skeptical or, in the few better moments, uncertain and tentative. Some American conservatives, in and out of the administration, grumble preemptively that Mr. Reagan is about to give away the store. We do not believe it, but the tone of his policy certainly is changing.

—THE WASHINGTON POST.

A Trial Without Justice

Repressive regimes are rarely capricious in their choice of victims. They often single out prominent dissenters so as to intimidate the less prominent. When justice is thus debased, the result is a show trial. A particularly ugly contemporary example was Turkey's trial of 23 leaders of a peace association, who languish in jail even under a new civilian regime that is embarrassed by their plight.

The Turkish Peace Association was founded in 1977 to promote arms control, compliance with the Helsinki accords and the peaceful settlement of international disputes. It also opposed NATO's new missiles, and some of its founders belonged to the left-of-center Republican People's Party, now outlawed. After Turkey's generals seized power in 1980, they made an example of the group.

Its leaders were charged with abetting communism and conspiring to establish "the sovereignty of one class over another." After 10 months of detention, they were convicted by a military court. Sentences were handed down last November, only days after the election of a civilian regime that claimed to be easing martial law. Eighteen defendants got eight-year terms, the rest got five years.

Among those imprisoned are the president of the Turkish Medical Association, the headmaster of a French-language lycée, the general secretary of the Turkish Writers Union, the director of the State Theater Company in

Istanbul and the president of the Istanbul Bar Association.

The defendants include one woman, Reha Isvan, an English teacher who was associate director of Istanbul's education department while her husband was mayor from 1973 to 1977. She has three grown children, two studying in the United States. Indeed, as she told a visitor, 26 members of her family over three generations have graduated from American schools. She belongs to no political party and is accused of no subversive acts, only advocating changes in national policies.

On equally vague grounds, Turkey's military courts have jailed tens of thousands. Last October, the government acknowledged holding 12,559 political prisoners. To be sure, terrorism was once epidemic, but the plague has long since ebbed. In any case, the peace association defendants are unlikely bomb-throwers. To all appearances, their persecution was prompted by the fear that if people like Mrs. Isvan speak out, others will too.

An appeal to the Supreme Military Tribunal is still possible and the new civilian government, nervous about its powers, has discreetly taken up the association's case. A general amnesty for all prisoners whose only offense was the expression of opinion would go far to change Turkey's reputation as the only NATO country given to staging show trials.

—THE NEW YORK TIMES.

Other Opinion

The 'Ifs' of a Mondale Victory

Can anyone win the presidency without carrying Connecticut, New Jersey, Illinois, Michigan, Indiana, Iowa and every other state west of the Missouri River except Texas? Of course. Jimmy Carter did it in 1976.

Can anyone win the presidency who is running 10 or more points behind his opponent in the national polls at the beginning of the election year summer? Of course. Harry Truman did it in 1948.

Can anyone whose political party tore itself up with internal dissension and lost the previous election by a landslide win the presidency in the next election? Of course. Richard Nixon did it in 1968.

None of these conditions exist in exactly the same context this year, but the questions and answers serve to put the current political situation into a somewhat different perspective.

Can Walter Mondale or any other Democrat beat Ronald Reagan in 1984? Of course—if everything breaks right for him.

—Arnold Savitsky of UPI.

Help Iraq Build Its Pipeline

The U.S. Export-Import Bank has tentatively agreed to guarantee \$500 million in American bank loans for a pipeline to move Iraqi oil through Jordan to the Red Sea port of Aqaba. If an equal amount of West European financing can be lined up, the new pipeline could be in operation by early 1986.

Iran is now preventing Iraqi oil exports through the Gulf, while Syria has refused to allow Iraqi oil to move across its land. As a result Iraq can export only 950,000 barrels a

day by pipeline through Turkey. The benefits to Iraq of a new oil-exporting link are thus obvious. Perhaps less so are the benefits to America and others.

Any oil-transportation system that bypasses the Gulf helps all oil-importing countries by lowering the threat to supplies. A doubling of Iraqi oil exports could also help undermine the OPEC production-quota system. More Iraqi oil put on the world market could help further depress prices. Iraq has asked the United States for assurances that a pipeline through Jordan would not be attacked by Israel. Sure, the Israelis have said, presumably meaning that they would leave the line alone so long as Iraq behaved itself toward Israel. That is no guarantee that Iraq will adopt a permanent stance of inactivity militancy in regard to Israel. A pipeline vulnerable to attack could become a hostage to Iraqi good behavior.

—The Los Angeles Times.

EC Is Not Out of the Woods Yet

The settlement reached in Fontainebleau is not an ideal one, but there was never any prospect that it would be. There are real divergences of interest between member-states as well as genuine and deep-seated differences of opinion about the interest of the Community as a whole. In such a case the only possible solution is a compromise. From Britain's point of view, this compromise is acceptable for two reasons. First, it leaves Britain in a position to insist on greater financial stringency. Secondly, it is an agreement which permits the Community after a year of existential crisis to turn its collective mind and energies to other things.

—The Times (London).

Israel's Economy: Is the Patient Dangerously Ill?

By Joyce R. Starr

WASHINGTON — Is Israel facing a strategic economic crisis? Could a prolonged war, for example, bring the country to the brink of economic collapse?

The governor of the Bank of Israel has warned that the public is increasingly unwilling to lend its money to the government, preferring foreign currency or assets linked to the U.S. dollar. Government deficits, he said, are adding to the country's foreign debt, while the economy lacks the corrective ability to deal with hyperinflation that jumped from a 130-percent annual rate in the first nine months of 1983 to a projected 400-percent rate by the end of this year.

The strains on the Israeli economy are so evident that even Arab diplomats—who in the past refrained from even mentioning Israel by name—have spoken out on the subject. But in Israel, there has been almost no public discussion of what will happen if the party that wins the July 23 election fails to bring the economy rapidly under control.

In a recent interview, Finance Minister Yoram Aridor said the situation is a "strategic crisis" in which there is a considerable chance of no solution, he said. "In this case, Israel has a major problem, but not a crisis."

"If we had a deeply stagnant economy that could not enlarge its exports, you might say, 'Fine'—with such large debts, your fate is finished." But for Israel, the opposite is the case. Israel has a sophisticated economic base

and a great industrial export potential."

Shimon Peres, leader of the opposition Labor Party, also avoided the question of the nation's strategic vulnerability, but he blamed the ruling Likud coalition for "the present catastrophe." He said Likud has raised government spending by at least \$5 billion since it came to power in 1977: \$1 billion resulting from the supply-side politics of former Finance Minister Yoram Aridor; \$1 billion so far from the costs of the 1982 Lebanon invasion and the continued occupation of southern Lebanon; and more than \$3 billion for new settlements in the West Bank.

Mr. Aridor was appointed finance minister in 1981. During his two years in office, the government tried to curb inflation by granting large subsidies on essential commodities, lowering taxes on appliances and passenger vehicles, and slowing the rate of devaluation of the Israeli shekel. But rather than encouraging savings, Mr. Aridor's policies accelerated inflation to an alarming rate, causing export profits to decrease, and the civilian goods and services deficit nearly to double from \$2.1 billion in 1981 to \$4 billion in 1983.

The growth rate of the economy, a fairly steady 10 percent between 1948 and 1973, was only 2 percent in 1982 and 1983.

But poor policy planning and mismanagement only partly explain a \$22.6-billion external debt (excluding offshore holdings)—the

second highest per capita, trailing only Norway. Due largely to huge arms purchases, the figure spiraled from a comparatively minor \$2.6 billion in 1970 to \$5.1 billion following the 1973 Yom Kippur war, and hit \$11.1 billion in 1977 when the Likud took office.

The peace with Egypt has also been costly. In 1978, Israel produced one-fourth of its oil requirements through the Alma oil fields which it discovered in the Sinai. Oil imports in 1978 were \$775 million.

Since 1979, when the Alma fields were handed over to Egypt as part of the peace accord, Israel has paid \$2 billion annually for oil—20 percent of its total export receipts. (Likud cannot use this as an excuse for the nation's difficulties, said Joseph Rom, a military analyst and Likud member of the Knesset, noting: "The Likud is portraying peace with Egypt as its greatest achievement. To justify our economic difficulties in these terms would therefore be impossible.")

Yet, from the Israeli perspective, the structure of the debt, (certainly not its magnitude), offers some prospects for recovery.

For unlike the case of Argentina, Brazil or Mexico, which owe about two-thirds of their debt to commercial banks at short-term rates, only 25 percent of Israel's debt originated on a commercial basis. About \$3.3 billion of the total is short-term debt, and the largest portion, \$9.2 billion, is owed to the U.S. govern-

ment. An additional \$800 million comes from international lending agencies, with \$2.6 billion in the form of a revolving account of Israel government bonds. In short, well over half of Israel's indebtedness is in loans held by benefactors not apt to call in the debt.

And unlike the Latin American case, U.S. loans to Israel were negotiated at fixed interest, to Jerusalem's current advantage.

Israel's debt service was \$2.2 billion in 1983, or 26 percent of total exports. American officials say this is high, but not critically so. Government transfer payments to Israel, including restitution monies from West Germany—\$300 million to \$400 million annually—and U.S. aid, have averaged \$2.8 billion per year over the last decade, adequately covering debt service requirements.

While a dramatic decrease is not expected in the near term, a gradual phasing out of American aid could actually prove a plus, necessitating the adoption of stringent economic measures.

In the meantime, if Israel's economic viability appears to remain intact, the minefields ahead are no less awesome. Shimon Peres summed it up this way: "The situation is so terrible, I have to be optimistic."

The writer is director of the Near East Program of the Center for Strategic and International Studies at Georgetown University. She contributed this comment, the first of two parts, to the International Herald Tribune.

The Risks Of Picking 'A Woman'

By Alan Baron

WASHINGTON — The speaker of the House, Tip O'Neill, has predicted that the Democratic nominee for vice president would be either Senator Gary Hart or "a woman."

Mr. O'Neill's blunt language demonstrates again that politicians see women in a different light than they do other groups. Mr. O'Neill, a good liberal, would never say the choice was narrowed to Mr. Hart and "a Jew" or "a Catholic." Jewish and Catholic potential candidates, as well as religious organizations, would be embarrassed and offended. By contrast, women's organizations and potential female candidates applauded Mr. O'Neill's remarks and are engaged in a major campaign to pressure Walter Mondale to select a woman as his running mate.

The campaign could well subvert the best interests of the women's movement as well as those of the candidates it supports.

For while most Americans do not believe a woman should be denied the vice presidency or, for that matter, the presidency because of her gender, neither do they believe she should be elected because of her gender.

Mr. Mondale's vice presidential selection provides him with an important opportunity to demonstrate the two qualities people are looking for most in 1984: courage and vision. The choice of a woman could enhance those qualities, but not if the candidate seemed simply to be pandering.

That has been demonstrated by, of all people, Ronald Reagan. If the appointment of women to high positions is a valid standard for judging candidates' commitment to women's rights, the current White House surpasses its predecessors. The president has appointed women to the Supreme Court, as United Nations ambassador, and to two key cabinet posts.

But polls show the president running 10 percentage points poorer among women than among men. If that is true on Election Day, it will reflect a dramatic shift in women's policies, since women have consistently voted Republican more than have men for most of this century.



That is conveyed by a comparison between the last year women could not vote and the first year they could. In both years, 1916 and 1920, the Democrats drew 9.1 million votes; the Republican vote surged from 8.5 million to more than 16 million. At least 75 percent of the women voted Republican more than men in every presidential election since then, except two: 1964 (Lyndon B. Johnson vs. Barry Goldwater) and 1980.

Women's move away from Republicanism and toward the Democrats has little to do with partisan ideology or even women's rights issues. Rather, it has to do with basic differences between the values of male and female Americans. Women are much more inclined to place a priority on peace and social stability than men and are much less willing to risk war and social instability.

In their first election, women rallied behind Republican Warren G. Harding, who promised "a return to normalcy." Despite his liberalism, it is Mr. Mondale who is perceived by women as the return-to-normalcy candidate this year.

The writer, publisher of the *Baron Report*, a national political newsletter, contributed this comment to the *Los Angeles Times*.

Democrat Selection Process Should Be Less Democratic

By Thomas J. Reese

NEW YORK — If the campaign for the Democratic presidential nomination has proved anything, it was that the Democrats do not know how to pick a presidential candidate. They appear to have forgotten the fundamental purpose of political parties—to pick candidates who can win elections.

The problem with the current selection process is that it is too democratic and not political enough. There is no inherent or constitutional reason why the candidate must be selected in a democratic process. The people can cast their votes in November, but to demand their attention for a 12-month (or longer) campaign is unrealistic and unnecessary. Certainly a college of political cardinals could have done a better job of picking a candidate than has been done this year. It certainly would not have done worse.

In the quest for perfect democracy, the Democrats have gone overboard with delegate quotas for various demographic groups. The logic and justice of special quotas for women, blacks and young people was never clear. Why not give proportional representation to, say, the elderly? At the same time the Democrats imposed quotas on themselves, they also went overboard with primaries and participatory caucuses. The Democrats took the nomination process away from party professionals and allowed anyone to participate who called himself a Democrat. Since the better-educated and higher-income citizens participate at a higher rate under such procedures, the process fails to reach the democratic goal its supporters extol.

Finally, the "quota" delegates selected by these primaries and caucuses were divided among the candidates roughly in proportion to their percentage of the vote. Such proportional representation following an election is un-American. It is a European device that should be rejected by the American body politic. U.S. tradition has always been in favor of winner-take-all elections, which force groups to compromise and form coalitions before an election rather than after it.

The Democrats need to get rid of quotas, reduce the role of primaries

and participatory caucuses and have primaries governed (either on a state or congressional district level) by the winner-take-all principle.

The ideal Democratic convention would be composed of two equal parts: Half the delegates would be elected politicians or party officials; and half would be selected by primaries and caucuses. In such a convention all U.S. senators and representatives, governors, big city mayor state legislative leaders and party chairmen would have the right to attend if they were Democrats (and only these would be able to vote on the party platform). The other half of the delegates would be divided among the states on the basis of population, with added weight given to states that have voted for the Democratic nominee in recent elections.

States that vote for the Democratic nominees deserve special consideration. It is ridiculous that Iowa and New Hampshire play such an important role in the selection process. Except for 1964, Iowa has not voted Democratic since Harry Truman. New Hampshire has not voted Democratic since Franklin D. Roosevelt. It is interesting to note that more than half the states that went for Gary Hart had not voted for the Democratic presidential candidate in any election since Truman, except for 1964. If these states cannot deliver their electoral votes, why should they have such a big say in the nomination? Iowa and New Hampshire should be told to postpone their caucuses and primary until after some truly Democratic states have voted.

Would such a convention have selected another candidate? Probably not. Walter Mondale was the favorite of the party regulars, and he ran better in Democratic states. But he would have won the nomination without the bloody, divisive and scandalous battle that we have seen this year. He still would have had difficult time against Mr. Reagan, but not half as bad as he faces now.

The writer is associate editor of *America*, a weekly journal of opinion published by Jesuits of the United States. He contributed this comment to *The Washington Post*.

A Reading List for Graduates And Others With Time to Fill

By George F. Will

WASHINGTON — Mr. William J. Bennett, Chairman, National Endowment for the Humanities, 1100 Pennsylvania Avenue, Washington, D.C.

Dear Bill: You write to report that you encounter skepticism when you say there are certain works in the humanities with which everyone graduating from high school should be familiar, and you solicit from me and others a suggested list of 10 such works. Herewith my list, but first my caveat, which is:

Lists proper for British or French pupils would be different. American secondary education should give a glimpse of the shared treasure of Western culture, but also should help define an educated American. So, here goes.

The Bible (the King James version, of course). Genesis and other portions of the Old Testament, plus any two Gospels. American Civil Liberties Union lawyers will object? To the state with them!

Aristotle's "Politics." The Bible is important news. Aristotle is important advice. And students can learn the correct conclusion of every serious argument: Aristotle was right.

Plato's "Apology" and "Crito," the dialogues about the trial of Socrates and his response to the death sentence illustrate coherent argument about serious matters, including civil disobedience. Socrates was executed for corrupting the young, so these dialogues also serve as a warning to teachers.

Shakespeare's "Macbeth" is the best way to give brutes steeped in the mechanical adventures of "Indiana Jones" a sense of real terror. It also provides an introduction to the richness of genius, and to the

richness of the English language.

The Federalist Papers. Imagine a collection of newspaper columns on a list like this. The columns—Madison, Hamilton and Jay (the columnists' profession seems to have peaked early in this country)—explain the philosophy behind our political physics of separated and balanced powers.

De Tocqueville's "Democracy in America" analyzes how politics and national character shape each other. It warns that some things are jeopardized by, and others are incompatible with, democracy.

The Lincoln-Douglas Debates are an introduction to the mind of the greatest statesman in the history of democracy, and to the idea: Democracy, when understood merely as popular sovereignty, is understood primitively.

F. Scott Fitzgerald's "The Great Gatsby" is effortless to read but difficult to get to the bottom of. It will introduce students to the idea of depth in a novel.

"Night," Elie Wiesel's remembrance of childhood in Auschwitz, is a most effective way to introduce young people to a fact that must be faced: that nothing is unthinkable.

"The Idea of a University," by John Henry Newman, Newman explains that proper education does not arouse random curiosity, it arouses the right curiosity and makes people like and dislike what they ought.

Now, Bill, you rashly suggest that I urge readers to send to you their list of 10. That will take care of your summer reading; My readers are nothing if not quick to vent vigorous opinions.

Your most obedient servant,
George
Washington Post Writers Group.

Warning: This Is Not a Healthy Recovery

By Hobart Rowen

WASHINGTON — On June 20 the U.S. Commerce Department published figures purporting to show that the economy was booming ahead, so fast that Treasury Secretary Donald T. Regan said he would ask his top aides "to investigate whether the nation has entered a new era."

Five days later the nation got a clear understanding of what the "new era" was all about: interest rates so high that they pose a threat not only to recovery in the United States and political stability among the major Third World debtors, but to Ronald Reagan's re-election.

This is not a healthy recovery at all. It will come to an unpleasant end, the timing depending in part on when the Federal Reserve Board quits supplying as much money to financial markets as it is now doing.

As the Bank for International Settlements in Basel, Switzerland, said last week in its annual report, there are two dangerous possibilities "inherent in this sort of recovery": a quick, early halt to the expansion, or a new inflation that sustains activity a while longer, but which leads "to a sudden and prolonged depression."

Reagan administration officials will not confess how worried they are over a boost in the banks' prime lending rate to 13 percent. It was the fourth half-point jump in four months, to the highest level in almost two years. But they are shaken, because the prime rate and other interest rates clearly have not peaked.

The conservative estimate is that the prime rate, driven by the budget deficit and fears of inflation, will hit 14 percent by the end of 1984, and may top 15 percent next year.

The administration pretends not to understand why interest rates are rising. Officials would have us believe that somehow Wall Street and the bankers are engaging in a massive cabal to do Mr. Reagan in.

There is no excuse for interest rates being at the level they are right now, other than fear of the future, said Secretary Regan. A few days

later, Mr. Regan acknowledged that the pattern could abort the recovery, and he termed the rise "regrettable."

But there is really no mystery: Interest rates are rising because the booming economy has led to an explosion in borrowing by business at a time when the Treasury is trying to finance the huge deficit from the same pool of available funds.

What White House officials are really wondering is whether the recovery will grind to a halt earlier or later. A key factor is that rising interest rates are having less of an impact on housing than would have been true in the past when mortgage rates edged close to 15 percent, as is presently the case. The reason is that an estimated 60 percent of mortgages today are variable-rate mortgages, tied closer to short-term than long-term averages. They start at lower rates than fixed-rate, traditional mortgages. Thus, the impact on housing is being delayed.

The impact of high interest rates has also been diluted for many mid-

dle- and upper-bracket wage earners who can deduct up to 50 percent of interest costs for personal property purchases from their taxes.

But the piper must be paid. Uncle Sam gets no 50-percent deduction against taxes: For every added 1-point increase in interest rates, says the Congressional Budget Office, the baseline budget deficit increases by about \$25 billion after five years and by \$30 billion after six years.

In January, when the budget office estimated the 1989 deficit at \$248 billion, it made the benign assumption that Treasury-bill rates, which averaged 8.6 percent in 1983, would be 8.9 percent in 1984. But these bill rates are already 9.75 percent, and longer-term issues have soared.

At the London economic summit, both President Reagan and Mr. Regan assured other officials that interest rates would start down this summer. Earlier this week, a less churlish Mr. Regan would only express a hope that the rates might be "shading down." But most others see the trend continuing up. This could give Walter Mondale his best campaign issue.

The Washington Post.

LETTER TO THE EDITOR

Calais, Not Annie

As a former officer in the German Panzer-Lehr (Tank Instruction) Division at the end of World War II, I read with great interest Thomas O'Toole's report, "Radio Annie: Nazi Retreat Gave Allies a Propaganda Prize" (June 26).

Let me make two remarks. First, nobody in our division ever heard about a Radio Annie. We all listened to the "Soldatensender Calais," which inundated us with jazz and with news whose exactness concerning Wehrmacht moves behind the front line was absolutely stupefying.

Second, many Germans anxiously awaited the arrival of the "liberators" coming from the West. During our

retreat through the homeland in March and April 1945, all the villages we came through had already raised the white flag, well before the appearance of the first U.S. tank. The Americans did not need a "fifth column."

A. GRAF von KAGENECK, Correspondent, Die Welt, Paris.

Letters intended for publication should be addressed "Letters to the Editor" and must contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92300 Neuilly-sur-Seine, France. Telephone: 1-61-1665. Telex: 617118 (Herald). Cable: Herald Paris.

Director of the publication: Walter H. Thayer
Gen. Mgr. Asst.: Alan Lecar, 24-34 Hennessey Rd., Hong Kong, Tel. 5-285118, Telex 61170.
Managing Dir.: L. K. Robin MacKinnon, 63 Long Acre, London W2C, Tel. 836-4802, Telex 262009.
S. au Capital de 1,300,000 F. RCS Nanterre B 732021126. Commission Paritaire No. 34231.
U.S. subscription: \$300 yearly. Second-class postage paid at Long Island City, N.Y. 11101.
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Soviet Said to See Low Grain Harvest

MOSCOW — Soviet trading officials have said that Moscow is expecting the 1984 grain crop to be about 180 million metric tons, which would mean the sixth poorest harvest in a row, officials said last Friday.

They said the officials told a visiting delegation from Western Europe that Moscow was raising its import assessments on the 180 million figure and saw no chance of reaching last year's harvest of more than 190 million tons.

The official government target for this year is 20 million tons. According to Western experts, the deficit, mainly due to a drought in north Russia, would probably lead to an increase in grain imports for the coming year.

The U.S. Department of Agriculture has estimated this year's Soviet grain crop at 190 million tons.

Earlier this week a Canadian wheat official, William Miner, said at a conference in Ottawa that there were already signs of increased Soviet buying interest in world grain markets.

He said Moscow's import levels, currently around 30 million tons a year, could move up to 40 million as the country's production fell well below 190 million tons.

The diplomats said the Soviet officials, including representatives of the state grain purchase agency Exportkhleb, made their comments during a meeting with West European officials and businessmen earlier this month for talks on Soviet grain transport arrangements through Rotterdam and other ports.

The sources said the Soviet trade officials indicated that a long drought in the fertile north Russian region had been a major factor affecting the state grain harvest.

Soviet newspapers reported earlier this week that in the past year there had been heavy rains there. Western farm experts said a major disaster appeared to have been averted.

But the diplomats said the rains appeared to come too late to ensure a healthy, high-yield crop.

Soviet grain production has fallen well short of official targets since a record crop of 235 million tons in 1978.

Line	Stock	Div.	Yld.	PE	52 Wk. High	Low	Open	Close
36	MerT	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
37	MerS	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
38	MerD	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
39	MerA	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
40	MerB	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
41	MerC	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
42	MerE	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
43	MerF	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
44	MerG	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
45	MerH	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
46	MerI	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
47	MerJ	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
48	MerK	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
49	MerL	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
50	MerM	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
51	MerN	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
52	MerO	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
53	MerP	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
54	MerQ	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
55	MerR	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
56	MerS	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
57	MerT	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
58	MerU	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
59	MerV	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
60	MerW	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
61	MerX	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
62	MerY	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
63	MerZ	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
64	MerA	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
65	MerB	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
66	MerC	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
67	MerD	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
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70	MerG	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
71	MerH	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
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84	MerU	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
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97	MerH	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
98	MerI	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
99	MerJ	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2
100	MerK	1.30	9.2	12	276 1/2	277 1/2	277 1/2	277 1/2

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(Continued on Page 8)

ECONOMIC SCENE

New Wisdom Replaces Old
In Thinking on Economics

By LEONARD SILK
New York Times Service

In economics, the conventional wisdom—the set of principles that respected economists and policymakers believe at any given time—has undergone a radical change in the past decade.

Stephen Marris, a senior fellow of the Institute for International Economics in Washington and a former economic adviser at the Paris-based Organization for Economic Cooperation and Development, recently ticked off some of the changes.

In the earlier postwar years, the conventional wisdom held that a government's primary responsibility was to get the level of total demand right—high enough to ensure something close to full employment but not so high as to cause inflation. The assumption was that if a government got the demand side right, supply would take care of itself.

Reagan's use of
monetary and fiscal
policy is more
ambiguous.

But in recent years, this doctrine has been reversed, with the new conventional wisdom holding that if government gets the supply side right, demand will take care of itself. This change, Mr. Marris says, does not refer to the "extreme form of supply-side economics associated with the name of Arthur Laffer" but to the "neoclassical" economic principles pursued in West Germany after World War II.

To get the supply side right, the neoclassicists argue, raise the rate of return on investment by slowing the growth of real wages and lower the real rate of interest by reducing budget deficits. Neoclassicists would give the Reagan administration a high grade for slowing the growth of wages but a low grade for producing huge budget deficits that raise the real rate of interest.

A second change in the conventional wisdom relates to the relative importance of fiscal policy (manipulating the budget, taxes and deficits) versus monetary policy (regulating the growth of money and credit). The earlier wisdom held that fiscal policy was government's most powerful tool, and monetary policy should be subordinated to it.

Conventional doctrine now asserts the reverse. Today, the Thatcher government in Britain, under its Medium Term Financial Strategy, sets fiscal policy in terms of the need to achieve a given growth of the money supply. Its prime aim is to keep inflation down.

At the Reagan administration's use of fiscal and monetary weapons is more ambiguous. Monetarists and supply-siders carry on a running battle within the administration, with first one side and then the other prevailing.

Another shift in the conventional wisdom affects efforts to stimulate business investment. The old wisdom held that investment in capital goods depended on what economists called "the accelerator," the relationship between consumption and the capacity of industry to meet current or expected demands.

To increase business capital spending, government would have to increase aggregate demand. Rising consumer demand would be a more important influence on capital spending than changes in interest rates. Today, the new wisdom sees interest rates as the dominant force and warns that rising rates imperil investment.

The Reagan administration, determined to hold on to its big tax cuts and even rejecting any relationship between budget deficits and interest rates, seems closer to the old conventional wisdom in asserting that economic growth has set off an upsurge in business investment despite rising interest rates.

Until now, it appears that the old conventional wisdom, as conducted by the Reagan administration, has been working better than the new, as practiced by the Europeans.

But are the U.S. and European recoveries about to end? Economists on both sides of the Atlantic are urging the administration to close the budget gap as quickly as possible to bring down interest rates, and slow the growth of money and credit to head off inflation.

But can the new conventional wisdom prevail in the face of growing signs of unrest?

Neither the old nor the new conventional wisdom appears adequate to the needs of the day.

CURRENCY RATES

Low interbank rates on June 29, excluding fees.
Official fixings for Amsterdam, Brussels, Milan, Paris, New York rates at 4:00 P.M. EDT.

	\$	£	D.M.	Y.P.	Y.S.	Y.L.	Y.S.	Y.L.	Y.S.	Y.L.
Amsterdam	3.2075	1.2444	12.4444	36.77	6.32	124.44	36.77	6.32	124.44	36.77
Brussels	3.2075	1.2444	12.4444	36.77	6.32	124.44	36.77	6.32	124.44	36.77
Frankfurt	3.2075	1.2444	12.4444	36.77	6.32	124.44	36.77	6.32	124.44	36.77
London	3.2075	1.2444	12.4444	36.77	6.32	124.44	36.77	6.32	124.44	36.77
Milan	1.7750	2.0175	6.1575	20.57	4.63	20.57	4.63	20.57	4.63	20.57
New York	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Paris	6.5596	11.6633	36.4833	116.63	26.48	36.48	116.63	26.48	36.48	116.63
Stockholm	2.4833	20.8333	65.40	20.83	65.40	20.83	65.40	20.83	65.40	20.83
Zurich	2.25	2.1116	63.76	21.11	63.76	21.11	63.76	21.11	63.76	21.11
1 ECU	0.6039	0.9929	2.224	0.6039	2.224	0.6039	2.224	0.6039	2.224	0.6039
1 SDR	1.8017	0.7624	2.8719	0.7624	2.8719	0.7624	2.8719	0.7624	2.8719	0.7624

INTEREST RATES

	1m.	3m.	6m.	1y.	2y.	3y.	5y.	10y.	15y.	30y.
100	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4
200	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4
300	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4
400	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4
500	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4

Asian Dollar Rates

	1m.	3m.	6m.	1y.	2y.	3y.	5y.	10y.	15y.	30y.
100	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4
200	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4
300	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4
400	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4
500	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4

Key Money Rates

	1m.	3m.	6m.	1y.	2y.	3y.	5y.	10y.	15y.	30y.
100	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4
200	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4
300	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4
400	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4
500	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4

West Germany

	1m.	3m.	6m.	1y.	2y.	3y.	5y.	10y.	15y.	30y.
100	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4
200	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4
300	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4
400	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4
500	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4

Japan

	1m.	3m.	6m.	1y.	2y.	3y.	5y.	10y.	15y.	30y.
100	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4
200	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4
300	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4
400	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4
500	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4

Market Closings

Financial markets in Singapore were closed Friday for a holiday.

Chairman
Of Creusot
'Shocked'

He Thought Pact
On Rescue Was Set

By Axel Krause
International Herald Tribune

PARIS — Didier Pineau-Valencien, chairman of Creusot-Loire, said Friday that he was "profoundly shocked" upon learning, five minutes before it was announced on television, that a Paris court was about to place the company in receivership.

"We had gone from concession to concession and I thought, optimistically, that we had an agreement with the government" on a rescue package to save the ailing company, Mr. Pinaud-Valencien said. He said he was informed of the court's decision at 7:55 P.M. Thursday.

He said that a television interview by Industry Minister Laurent Fabius about five minutes later was "a setup," and that Mr. Fabius had "hit below the belt." A spokeswoman for the minister said the interview resulted from "normal coverage" by television reporters.

The minister said during the interview that the behavior of the company management in recent talks aimed at restructuring the company was "completely scandalous."

Government negotiators, Mr. Pinaud-Valencien added, had thus rejected his latest proposals, because "their real objective was not to save Creusot-Loire," but to acquire control of other companies in the Empain-Schneider Group under conditions that he said were incompatible with the legitimate interests of shareholders, large or small.

The statements by Mr. Pinaud-Valencien, who is chairman both of Creusot-Loire, France's largest privately owned engineering group, and Empain-Schneider, fueled what by Friday had become a national political controversy, as well as the largest industrial bankruptcy case in recent French history.

But senior diplomats and lawyers on Friday discounted fears expressed privately by some top French government officials that the controversy would damage the government's prestige abroad.

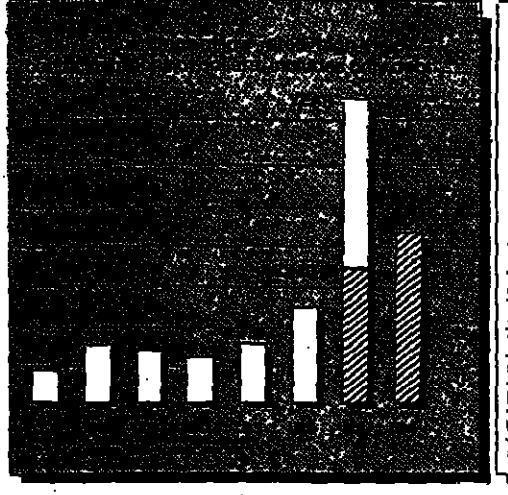
"No one outside France expects the Socialists to bail out every private company in trouble. ... The government is exaggerating its fears," said a U.S. corporate lawyer.

The court will allow the company to continue operating for three months under supervision of three court-appointed administrators.

It was not immediately clear how the company and the government could prevent laying off about 30,770 people, and an additional

(Continued on Page 9, Col. 2)

How 'Junk Bonds' Have Fared



Underwriter	Amount (in millions)	Number of Issues
Drexel Burnham Lambert	\$4,690	50
Salomon Brothers	446	5
Bank of America	412	6
Merrill Lynch	322	4
Prudential-Bache	275	8
First Boston	260	2
Lehman Brothers	230	1
E. F. Hutton	190	2
Kidder Peabody	135	2
Goldman Sachs	125	1

Wall Street Firms Scrambling to Get
Into High-Risk 'Junk Bond' Business

By Fred R. Bleakley
New York Times Service

NEW YORK — Investment bankers are scrambling to get into a business they had traditionally shunned — the underwriting and trading of "junk bonds."

No fewer than half a dozen major firms, ranging from Dean Witter Reynolds and Donaldson, Lufkin & Jenrette to Paine Webber and Morgan Stanley, are gearing up separate departments to cash in on the widening interest in these low-rated, high-yielding debt securities. A host of other Wall Street houses that have dabbled in them in the past are scouring for more salesmen, traders and analysts for this area.

The business is dominated by Drexel Burnham Lambert. Its prowess in expanding the market for these bonds has placed it in the upper tier of managers in the total debt and equity underwriting ranking. "Junk bonds" is a Wall Street nickname that originally described the debt securities of troubled companies. It now is applied to bonds of newer companies as well. The bonds are rated at less than investment grade — Ba or lower by Moody's or Bb or lower by Standard & Poor's.

The trading of such bonds is fraught with risk as well as opportunity for firms getting into the business. These bonds may be structured as debt securities, but they act more like a hybrid of the equity market. While high-grade bonds tend to mirror interest rate action, low-rated bonds also rise and fall on the latest bits of company news, just as stocks do.

Mark R. Shenkman, an institutional money manager, predicted he would "be able to take advantage of the new players to unload merchandise or to pick up true value." Only a handful of firms, he said, are savvy enough to set prices on the low-rated bonds that reflect their value accurately. Mr. Shenkman's organization, First Investors Consolidated Corp., manages \$1 billion of such bonds for its mutual funds and pension accounts.

Mr. Shenkman is not alone in sounding a warning. Richard E. Ombundro Jr., manager of the high-yield bond department at Merrill Lynch, declared: "There will be some spectacular disasters in the underwriting and trading of junk bonds where the buyers will be hurt. A lot of people are beating the bushes to do this business. But the new entrants are seriously down the experience curve." Merrill Lynch is among the leading underwriters of these bonds.

U.S. Congress Acts to End Bankruptcy Impasse

The Associated Press

WASHINGTON — Congress on Friday broke a two-year legislative deadlock, passing without a word of opposition a bill designed to give the United States a lasting and constitutional bankruptcy system.

The House voted 394-0 for the overhaul of bankruptcy courts and the Senate concurred by voice vote, sending the measure to President Ronald Reagan. His quick signature would avoid further disruption in the 600,000 cases before bankruptcy courts.

Sen. Howell Heflin, a Democrat of Alabama, said he's "not happy with all provisions" but added the legislation contains "many significant substantive reforms of existing law."

Once hopelessly stuck in a web spun by competing special interests, the bill sailed through the House in a compromise written by conferees from both chambers.

Congressional authority for bankruptcy court operations expired at midnight Wednesday, but cases are proceeding under emergency rules set by the governing board of the federal judiciary.

The conferees finished their work Thursday night on a successor system to one ruled unconstitutional by the Supreme Court in 1982.

In the two years since the decision, lobbyists for consumers, business, labor, judges, farmers and other groups flocked to Capitol Hill, trying to persuade Congress to include provisions favorable to them.

Sale of British North Sea Oil Assets Called a Flop
Blocking of Takeover May Create Problems for Further Privatization

Reston

LONDON — Britain's Conservative government is severely embarrassed, financial circles are outraged and press and parliamentary opposition are speaking of "a disastrous flop" after the latest sale of state-owned North Sea oil assets to the public.

Enterprise Oil, which groups the North Sea holdings of British Gas, was put on the market Wednesday.

The sale was expected to raise \$400 million (\$540 million) and to attract the small investors whom Prime Minister Margaret Thatcher wants to have a personal stake in Britain's economic success.

But a depressed oil market, high interest rates and bad timing combined to undermine the offer. Only two-thirds of the shares were taken up, at the minimum tender price of 185 pence a share.

"A disastrous flop," said Stanley Orme, energy spokesman for the opposition Labor party, "and a sellout for the real shareholders, the British taxpayers."

The Conservative Party is ideologically committed to privatization and has sold off more than 20 companies in five years.

The government was furious to discover that three-quarters of the applications for Enterprise shares had come from a single company, the giant mining conglomerate, Rio Tinto-Zinc Corp.

The attempt to acquire virtual control at a bargain price over an asset with excellent prospects for long-term gain was exactly what the government had hoped to avoid.

After a cabinet meeting, Energy Secretary Peter Walker told Parliament that the government was "not happy with all provisions" but added the legislation contains "many significant substantive reforms of existing law."

Gold Prices

	1m.	3m.	6m.	1y.	2y.	3y.	5y.	10y.	15y.	30y.
100	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4
200	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4
300	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4
400	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4
500	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4

Gold Options

	1m.	3m.	6m.	1y.	2y.	3y.	5y.	10y.	15y.	30y.
100	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4
200	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4
300	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4
400	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4
500	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4

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Distributed by KLM Royal Dutch Airlines Publication. Distribution Service. Allow 4 to 6 weeks for delivery.

Leading Index
In the U.S. Fell
By 0.1% in May

By Jane Seaberry
Washington Post Service

WASHINGTON — The government's index of leading economic indicators declined 0.1 percent last month, following a 0.5 percent increase in April, which if unreversed would be the first decline in nearly two years, the Commerce Department reported Friday.

Commerce Secretary Malcolm Baldrige said that the indicators reflected a slowdown in the economy during the second half of the year. However, he cautioned that data for two elements of the index are not yet available and that the latest figures "should receive less weight than the more comprehensive data for earlier months."

Data on inventories and business and consumer credit, which have been strong over the past several months, were not available, and could push the index higher, economists said.

"Over the past six months, gains in the leading index averaged 0.5 percent, compared with an average increase of 0.9 percent over the previous six months," Mr. Baldrige said. "Past experience indicates that this slowdown is signaling less vigorous economic growth during the second half of this year."

One of the leading indicators was building permits, which fell slightly in May, reflecting a drop in homebuilding activity which economists believe may have peaked during the first quarter.

While homebuilding declined, other important economic indicators advanced. Contracts and orders for business plant and equipment, valued in 1972 dollars, jumped sharply and new orders for factory consumer goods and materials in 1972 dollars also rose.

However, declining indicators were net business formation, stock

Puerto Rico & Toronto Canada

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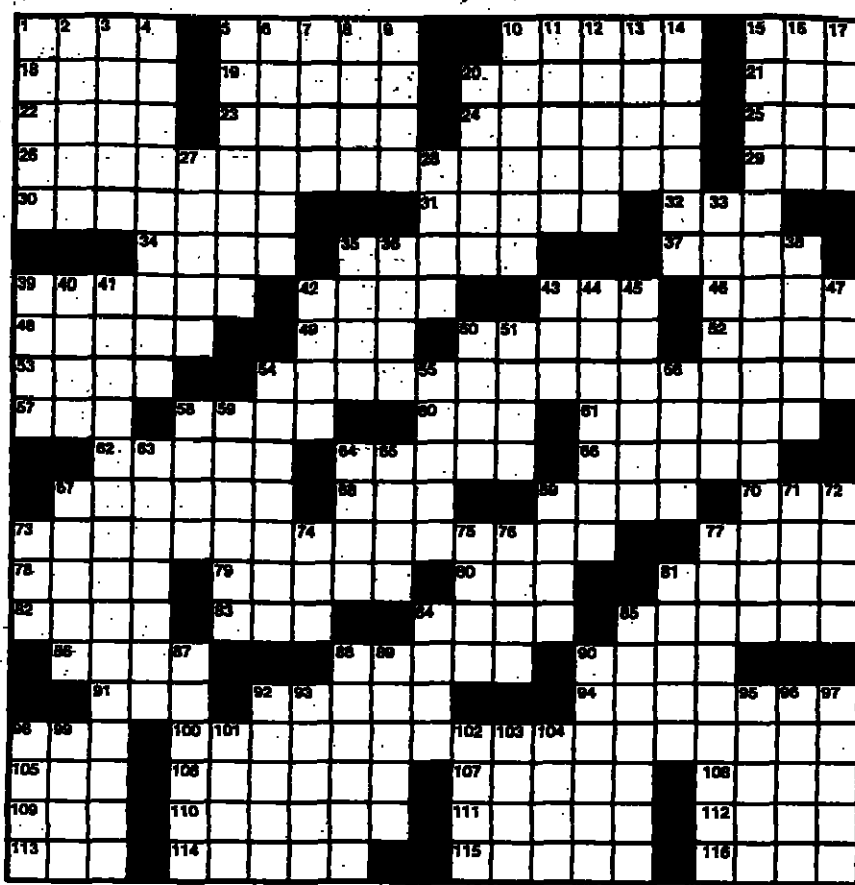
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100 captors
101 Baroque
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Letter Carrier By Robert H. Wolfe



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77 Celtic tongue
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THE MAN IN THE GRAY FLANNEL SUIT II

By Sloan Wilson. 318 pp. \$16.95.
Arbor House, 235 East 45 St., New York, N.Y. 10017.

Reviewed by Joseph McLellan

BACK in the Eisenhower years, "The Man in the Gray Flannel Suit" became a catchword as common, as useful and as misleading as another novel's title, "The Ugly American," was to become in the '60s.

In each of these cases, a novelist invented what he considered an essentially sympathetic character, a man struggling with some success to correct abuses that he saw in our society. And the public (which obviously reads catchy titles more thoroughly than the books they adorn) attached the term to the abuses being fought rather than the man who was fighting them. "The Ugly American" came to represent heartless imperialism, though the ugly American in the book was anything but a heartless imperialist. "The Man in the Gray Flannel Suit" embodied a robotic conformity to the values implied in another catch phrase, "Madison Avenue," although Sloan Wilson's character, Tom Rath, struggled against those values and remained, as a result (in his

wife's words), "smart and broke," doomed to be "unenthusiastic about everything for the rest of your life."

Wilson went on to write a dozen other novels. One or two ("A Summer Place" and perhaps "A Sense of Values") may stir some memories among readers, but gray flannel is what lodged in the public mind. "Tailors offered to measure me for free gray flannel suits," Wilson recalls in an introduction to a trade paperback edition of the book, evidently aimed at the textbook market. "Executives who had worn them since prep school started showing up for work in sports clothes to prove the freedom of their spirit. . . . Intellectuals, hippies and flower children began to consider him not a protester against conformity, but an arch example of it, the squarest guy in the world. He was attacked as a proponent of materialism, bad thinking or no thinking at all."

Now, our hero is back in a sequel, and he tries to establish right from the beginning that he is not what people have thought him to be for nearly 30 years: "My name is Tom Rath. There have been times when that name sounded better to me than it looked on paper because wadded in various forms was boiling up in me. . . . Men in gray flannel suits are

supposed to speak softly and carry a big pencil, but I still thought of myself wryly as the last angry public relations man." Is that point about the name firmly registered now? Most people missed it the first time around.

The trouble is that in the sequel, as in the original, Tom Rath still goes through experiences that resonate curiously with those of a large segment of Middle American peers in his age group. In the first book, it was the struggle of raising a family on an inadequate salary, the genteel squalor of a home in suburban Connecticut that was not quite good enough, the insecurities of a job where he produced nothing more tangible than words and ideas — things whose value could be determined only by the whims of superiors he had trouble respecting. This was complicated by memories of filthy, confused violence in World War II — memories of killing men, not all of whom were enemies, and adulterous adventures on what he had thought was the brink of death.

In the sequel, Tom's story leaps from the Eisenhower to the Kennedy years. He allows hope to creep into his life, inspired largely by the brilliant, vigorous young president, and he launches into a middle-aged, middle-class variation of the complex experience of the '60s. He has an affair with a younger woman who uses a four-letter word to describe the most transcendent of all experiences, and somehow it develops into love. His marriage disintegrates. His job is endangered, and he finds himself wondering: "What agency would hire a 43-year-old specialist in writing dull speeches about mental health?" His children start going off in directions he cannot understand or accept; in one episode, he nearly shoots a supposed burglar only to discover that it is a young punk sneaking to a nocturnal rendezvous in his daughter's bedroom. His world is shattered by Kennedy's assassination. Like many who came to the midlife crisis in the '60s, he reexamines the basic premises of his existence and makes a few revisions.

Rather improbably but not without justice, Sloan Wilson finally gives Tom Rath a happy ending. The poor fellow deserves it; in spite of misunderstandings, he has given distinguished service both to his creator and to his society.

Joseph McLellan is on the staff of The Washington Post.

BOOKS

DENNIS THE MENACE



"WE DID IT, MOM! WE MADE OUR OWN CORDLESS TELEPHONE!"

WEATHER

EUROPE	HIGH	LOW	WIND	PRECIP.	ASIA	HIGH	LOW	WIND	PRECIP.
Algeria	15	20	W 10	0	Beijing	25	20	W 10	0
Amsterdam	15	20	W 10	0	Bombay	30	25	W 10	0
Berlin	15	20	W 10	0	Hong Kong	25	20	W 10	0
Bombay	30	25	W 10	0	Manila	25	20	W 10	0
Buenos Aires	15	20	W 10	0	Shanghai	25	20	W 10	0
Calcutta	30	25	W 10	0	Singapore	25	20	W 10	0
Cairo	25	20	W 10	0	Tokyo	25	20	W 10	0
Canton	25	20	W 10	0					
Chongqing	25	20	W 10	0					
Cebu	25	20	W 10	0					
Colon	25	20	W 10	0					
Hankow	25	20	W 10	0					
Harbin	25	20	W 10	0					
London	15	20	W 10	0					
Madras	30	25	W 10	0					
Manila	25	20	W 10	0					
Medan	25	20	W 10	0					
Shanghai	25	20	W 10	0					
Singapore	25	20	W 10	0					
Tokyo	25	20	W 10	0					

MIDDLE EAST	HIGH	LOW	WIND	PRECIP.	OCEANIA	HIGH	LOW	WIND	PRECIP.
Aden	25	20	W 10	0	Auckland	15	10	W 10	0
Bahra	25	20	W 10	0	Christchurch	15	10	W 10	0
Bombay	30	25	W 10	0	Dunedin	15	10	W 10	0
Buenos Aires	15	20	W 10	0	Hamilton	15	10	W 10	0
Calcutta	30	25	W 10	0	Wellington	15	10	W 10	0
Canton	25	20	W 10	0					
Chongqing	25	20	W 10	0					
Cebu	25	20	W 10	0					
Colon	25	20	W 10	0					
Hankow	25	20	W 10	0					
Harbin	25	20	W 10	0					
London	15	20	W 10	0					
Madras	30	25	W 10	0					
Manila	25	20	W 10	0					
Medan	25	20	W 10	0					
Shanghai	25	20	W 10	0					
Singapore	25	20	W 10	0					
Tokyo	25	20	W 10	0					

SATURDAY'S WEATHERCAST: CHICAGO: Partly cloudy, 65-75. NEW YORK: Partly cloudy, 65-75. LOS ANGELES: Partly cloudy, 65-75. SAN FRANCISCO: Partly cloudy, 65-75. HONOLULU: Partly cloudy, 65-75. WASHINGTON: Partly cloudy, 65-75. PHOENIX: Partly cloudy, 65-75. DALLAS: Partly cloudy, 65-75. HOUSTON: Partly cloudy, 65-75. MIAMI: Partly cloudy, 65-75. SEATTLE: Partly cloudy, 65-75. PORTLAND: Partly cloudy, 65-75. SPOKANE: Partly cloudy, 65-75. BUTTE: Partly cloudy, 65-75. SALT LAKE CITY: Partly cloudy, 65-75. DENVER: Partly cloudy, 65-75. KANSAS CITY: Partly cloudy, 65-75. ST. LOUIS: Partly cloudy, 65-75. CHICAGO: Partly cloudy, 65-75. NEW YORK: Partly cloudy, 65-75. LOS ANGELES: Partly cloudy, 65-75. SAN FRANCISCO: Partly cloudy, 65-75. HONOLULU: Partly cloudy, 65-75. WASHINGTON: Partly cloudy, 65-75. PHOENIX: Partly cloudy, 65-75. DALLAS: Partly cloudy, 65-75. HOUSTON: Partly cloudy, 65-75. MIAMI: Partly cloudy, 65-75. SEATTLE: Partly cloudy, 65-75. PORTLAND: Partly cloudy, 65-75. 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Tables include the nationwide price up to the closing on Wall Street

12 Month High Low	Stock	Div. Yld. BE	514 Mkt. L. R.	Close
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(Continued from Page 10)

[illegible]

134	9%	Queb g s	28	10	10%	10%	10%	10% +
R								

38 1/2	28 1/4	REI	220	72	17	112	20 1/2	30	30 1/2	4 1/2
17 1/2	4 1/2	RTC	.121			1	4 1/2	4 1/2	4 1/2	+
18 1/2	13 1/2	Rogon	.12e	7	22	44	16 1/2	15 1/2	16 1/2	+
35 1/2	22 1/2	Flack & K	.18	3	15	100	25 1/2	25 1/2	25 1/2	+

[illegible]

30%	34%	SciAm	10	14	22	7	7	7
33%	21%	SciLg		15	25	27%	27%	27%
28%	12%	Sour R s			2	17%	17%	17%
3%	1 1/2	Seagrass		22	30	2	2	2

9%	2%	SetsOff	69	3%	3%	3%	3%
5%	3%	SellAs	1	3%	3%	3%	3%
10%	3%	SellAs	4	4%	4%	4%	4%

[illegible]

80%	74%	34%	28%	18%	33%	19%	17%
36%	19%	27%	4.6	7	27%	24%	25%
9%	6%	10%	4.9	27	7%	7%	7%
10%	10%	10%	5	3	10%	10%	10%

T									
17	8	T	Bar	51	54	28	26	94	93

[illegible]

28	11	Totten	.44	2.7	10	97	136	121.7	18
240	174	Turner	1.10	4.8	8	2	224	224	224
8	34	Tyler wt				14	330	344	3

4%	3%	UNA	14	3	4%	4%	4
7	3%	USR (nd)	16	10	4%	4%	4

[illegible]

7 1/2	7	Water A	.15	1.9	13	1	7.06	7.06
14 1/2	7 1/2	Water B	.15	1.8	14	23	8.04	7.26
17 1/2	8	Water				10.84	8.26	6.86
27	27	Water of	2.62	11.5		592	21	27.66

12	8 1/2	WetGrn	7	5 1/2
10	4 1/2	WetGrn	5 1/2	5 1/2
8 1/2	7 1/2	WetGrd	10	3 1/2

[illegible]

Country _____

INT2

